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## NEWS SUMMARY

### GENERAL

#### Raiders jailed for 15 years

A Dutch court in Assen yesterday sentenced three South Moluccan guerrillas to 15 years in jail for murdering a hostage during a raid on a government office block in Assen. The sentences were the heaviest ever imposed on Moluccan guerrillas in Holland.

The prosecution had demanded 18-year sentences for the three, the oldest of whom was 23. Dutch marines freed the 70 hostages after 29 hours, after the guerrillas had shot dead a 40-year-old civil servant.

Switzerland: Two West German guerrillas, Gabriele Kroeber-Tiedemann and Christian Moeller, were jailed for 15 years and 11 years respectively on charges including the attempted murder of two Swiss customs men.

### BUSINESS

#### Equities lifted by wage hopes

Equities were encouraged by dividend and wage prospects. The FT 30-share index rose 3.5 to 460.8 for a gain of 4.5 on the previous day.

The FT Industrial Ordinary Index rose 1.5 to 459.5. The index was 458.0 at the close of the previous day.

Initial trade union reaction to the Prime Minister's wage proposals was guarded but favourable.

#### 160 injured in van blast

At least 160 people were injured when an ice cream van exploded near No. 40 York's Wall Street financial area yesterday. Police said later that the blast could have been caused by a bomb planted in the van or by a faulty compressor.

Six people were said to be seriously hurt. Others were treated for cuts and burns after the blast, which blew out windows in neighbouring blocks.

#### Massacre victim

Mary Fisher, badly injured survivor of last week's grilla massacre of 12 British missionaries and children in Rhodesia's Elim Pentecostal Mission, has died in a Salisbury hospital.

#### Mondale in Israel

U.S. Vice-President Walter Mondale arrived in Israel amid the tightest security since Egyptian President Anwar Sadat's November peace mission. Originally to celebrate Israel's 30th anniversary, the visit seems likely to centre on Middle East peace.

#### U.S. journalists

American newsmen Craig Whitney and Harold Pinter were given more time for legal advice when Moscow City Court adjourned its hearing of a slander suit filed by Soviet television over their treatment of a story on a jailed dissident.

#### Actor killed

Actor Bob Crane, who played Colonel Hogan in the television comedy series *Hogan's Heroes*, was found bludgeoned to death in a flat in Scottsdale, Arizona. He was apparently asleep when his killer struck.

#### UN session ends

Winding up an unprecedented five-week disarmament session, UN members approved the restructuring of the Geneva negotiating machinery, with France agreeing to join the talks for the first time.

#### Carter poll blow

Americans are unhappy with President Carter's performance in the White House and confused about his policy towards the Soviet Union, according to a poll. Only 38 per cent approved of Mr. Carter's handling of the presidency.

#### Briefly...

Rennes police made two arrests in connection with an attack on Monday at the Palace of Versailles.

One man was shot and 17 people arrested at a Rolling Stones concert in Lexington, Kentucky.

Archaeologists at Lake Victoria have discovered one of Africa's earliest industrial areas—an iron Age site dating from 500 BC.

At least 11 people were injured when the Madrid-Venice train collided with a lorry at a level crossing.

Prince Michael of Kent married Baroness Marie Christine von Reibnitz at a brief civil ceremony in Vienna.

#### COMPANIES

**SPONDER INDUSTRIES** has rejected a bid from Sandvik. Page 16

**GENERAL ELECTRIC** Company will become a junior partner in a venture with Finer Controls of the U.S., a subsidiary of Monsanto. Back Page

**GREAT UNIVERSAL STORES** subsidiary Global of London (Tours and Travel) is considering buying three Boeing 747 jets, which could cost £20m per jet, setting up an airline. Weekend Brief Page 15

#### CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

Treas. 13p 1980	£102 + 3
Excl. 12p 17 (1980)	£14 + 3
Albright & Wilson	153 + 3
Asco. Newsprint	167 + 3
Asco. Newsprint	208 + 7
Brown & Jackson	128 + 8
Cawdon	100 + 8
Dalewood (J. B.)	153 + 35
Fitch Lovell	208 + 7
GEC	255 + 10
Glaxo	276 + 12
GUS A	197 + 7
Henderson & Kent	197 + 7
Hickson & Welch	197 + 7
IC Gas	62 + 4
Lookers	148 - 6
Marks & Spencer	240 - 2
Midland Bros.	540 - 17
Ratners	71 - 6
Samuel (H.) A.	295 - 9
Sponcer Inds.	81 - 4
Text Abrasives	62 - 3
Thomson Org.	263 - 12
Time Products	139 - 5
Weston-Evans	115 - 7
London Sumatra	162 - 8
BH South	118 - 3
Hambros	168 - 6
Moss (H.)	21 - 2
Nat. Carbonising	76 - 6
Siemens (UK)	242 - 16
Guthrie	418 - 1
Southall	438 - 14
Western Deep	737 - 25

## Callaghan to press for single-figure earnings increases

BY PHILIP BASSETT, LABOUR STAFF

The Prime Minister told trade union leaders yesterday that the Government wants single-figure earnings increases in the next wage round. He made it clear that it would press for a limit with or without trade union co-operation.

The Government would produce its own figure for wage increases in the next round after consultation with the TUC and the CBI which would be "much more modest" than the 10 per cent guideline for Phase Three.

Mr. Callaghan told trade unionists at the annual conference of the Confederation of Shipbuilding and Engineering Unions at Eastbourne: "I will fight in the country to get that view accepted."

Initial trade union reaction to his initiative was guarded but favourable.

### Importance

He was not surprised to find that the level of increases was higher than 10 per cent, which "in terms of the impact on inflation has not been anything to write home about."

He stressed the importance of the Government's relationship with the unions and tried to woo them by listing Labour's achievements for workers.

They included repeal of the Industrial Relations Act, the new Employment Protection Act, the Health and Safety Act, and the Health and Safety Commission, or influenced by the Government because of its intervention in industry and the public services.

However, trade unions and the CBI would be asked for their observations on its economic analysis, the level of growth and the future level of inflation.

Mr. Roy Grantham, general secretary of the Association of Professional, Executive, Clerical and Computer Staff, said that if the unions reached an accommodation with the Government for the next year on the shorter working week, they could co-operate on inflation.

However, Mr. Grenville Hawley, of the Transport and General Workers, which is committed to ending pay restraint, said the union was unlikely to change its policy.

Rupert Cornwell writes: While the Prime Minister was appealing to the unions, Mr. David Steel, Liberal leader, called for a long-term policy on prices and incomes that would gain broad national acceptance.

## Judge's decision puts ACAS policy in doubt

BY ALAN PIKE, LABOUR CORRESPONDENT

THE ADVISORY Conciliation and Arbitration Service was declared yesterday to have "misdirected itself in law" in a High Court judgment which throws into question its whole policy of discouraging the entry of new unions to established areas of industry.

An ACAS report which refused to recommend recognition for the non-TUC affiliated United Kingdom Association of Professional Engineers at APE, Allen, a Bedford engineering company, in spite of 79 per cent support among the staff it wished to organise, was declared void by Mr. Justice May.

The High Court decision, which is likely to have far-reaching implications in the acutely sensitive area of white-collar union recognition, was immediately welcomed by leaders of unions not affiliated to the Confederation of Shipbuilding and Engineering Unions, and which are trying to enter the engineering industry.

Mr. John Sampson, general secretary of UKAPE, said: "At last justice is being done."

Mr. John Lyons, whose TUC-affiliated Engineers and Managers Association is struggling against TUC opposition to be recognised on behalf of managers in the shipbuilding industry and industrial engineering companies, commented that the court decision was a "stinging rebuff for ACAS and the Engineering Employers' Federation, which have both been trying to impose unions on professional and managerial staff which they do not want to join."

The judgment opened the door for all such staff to join his association "confident in the knowledge that ACAS cannot block legitimate recognition claims," said Mr. Lyons.

In the recognition battles since the Employment Protection Act came into force, the Engineering Employers' Federation and the Confederation have maintained a common front in their opposition to unions which are not party to the industry's national procedure agreement.

## Bidder for J. B. Eastwood named

BY ANDREW TAYLOR

CARGILL INCORPORATED, one of the world's largest grain traders, with annual sales of more than £100m, has emerged yesterday as the bidder for J. B. Eastwood, the UK's largest egg and chicken producer.

The name of the U.S. bidder was announced almost simultaneously with Eastwood's severance results, which revealed a 42 per cent decline in pre-tax profits to March 31, 1978.

Cargill, one of the "big four" U.S. agricultural merchandising groups, is bidding 100p cash a share for Eastwood, which values the British group at about £22m. The offer already has the backing of the Eastwood family and group directors controlling a 35 per cent stake.

Eastwood blamed a depressed market and subsequent squeeze on meat and poultry margins for its profits decline. He said the company was particularly disappointed in view of the more optimistic outlook at the time of its half-year results.

Cargill, a private company controlled by two families, has wide-ranging interests in farm products as well as some chemical, coal, steel and financial operations. Group net annual profits are about \$100m (£54m).

It is involved in poultry and egg production in a number of countries, but not as yet in Britain. Eastwood has about an eighth of the UK market in eggs and chicken production.

Eastwood also has animal feed interests, largely for internal purposes, as well as pig, poultry, and other meat marketing and distribution businesses.

The egg and poultry side is the most attractive to the U.S. group, according to its British merchant bank advisers J. Henry Schroder Wess.

Profile, Page 2

£ in New York June 30 Previous

Net	\$15,200,000	\$1,800,000
Operating	6,200,000	1,200,000
Non-ops	1,300,000	1,000,000
Loss	(2,200,000)	(500,000)

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For latest share index, phone 01-246 3026

## £20,000 rise proposed for State chiefs

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

A CHALLENGE to the Government to put aside its pay policy and award salary increases of up to £20,000 a year to nationalised industry chairmen and other top public servants was thrown down yesterday by an official pay review body.

The proposed increases would add up to 70 per cent to some salaries and for example, would take the chairmen of industries such as rail, gas, electricity and coal up from about £24,000 a year to £44,000, with some others going as high as £45,000 and £50,000.

The Government's reply to this challenge, thrown down by the pay review body under a married man with no dependent children, proposed for chairmen of nationalised industries such as rail and gas, rises will be phased over two or more years with this year's in-

TOP RISES RECOMMENDED		
	Present salary	Proposed salary
Nationalised industry chairmen:		
British National Oil Corporation	£30,000*	£50,000
National Enterprise Board	£33,000	£45,000
British Steel Corporation	£38,000	£45,000
British Rail	£24,500	£44,000
Central Electricity Generating Board	£22,500	£35,000
Other senior public servants:		
Head of Home Civil Service	£20,500	£28,000
Permanent Secretary	£19,000	£26,000
Lord Chief Justice	£23,000	£34,000

\* Lord Kearton, the present chairman, waives his salary.

creases being limited to 10 per cent. However, Ministers are going to the British National Oil Corporation—the present in-charge of the oil industry—wages to adopt a further phase of pay restraint.

The reason why many of the proposed rises are so large is that those concerned have not had substantial increases for some time. Nationalised industry chairmen and Board members have had big increases in 1972, while the other senior public servants, armed forces officers and judges—received a limited increase early in 1975.

For some time, therefore, the Government's concern for the credibility of its pay restraint policies—coupled with traditional Labour hostility to the concept of high salaries—has meant that the top salaries involved have fallen well below those in the private sector.

Recommendations from the Boyle review body in 1974 were

£50,000—£18,939 after tax—would be phased in three stages over two years to April 1980, and said the average of the increases was 31 per cent. This amounted to 8.6 per cent a year over the period from 1975, during which the retail price index has risen by nearly 65 per cent.

Continued on Back Page  
Details of report, Page 4

## Bilston steel strike threat lifted

By Christian Tyler, Labour Editor

THE THREAT of a national steel strike over the closure of its Bilston works in Staffordshire, was withdrawn yesterday when the British Steel Corporation undertook to maintain the plant at its present level of output pending talks with the unions.

BSC withdrew a letter from a local manager which had called for talks on the phased run-down of the works, where 2,400 are employed, even though unions at national level have not yet replied to BSC proposals to close the plant.

Mr. Eric Varley, Industry Secretary, reacted to the threat of a strike by the Iron and Steel Trades Confederation by ringing Sir Charles Villiers, BSC chairman, to say he was extremely anxious that the Corporation had handled things.

It was disclosure of the letter on Thursday that led confederation leaders to abandon their delegate conference in Scarborough and call an emergency executive meeting. BSC yesterday said it had recanted the letter by the time Mr. Varley rang the chairman.

A truce was reached yesterday evening after the TUC steel committee, hastily convened for its own discussion, went on to meet Dr. David Grieve, managing director of personnel at BSC's London head quarters.

## Moratorium

Mr. Bill Sims, confederation general secretary and chairman of the TUC committee, said the intended closure of two of Bilston's four open-hearth furnaces would not now go ahead on August 6.

The unions called for a moratorium on all closure talks—perhaps of six months—to let the anger of workers subside.

The whole issue will be left to a recently-established joint planning committee which the BSC hopes will meet soon.

Mr. Sims commented: "The thought they could push it and push us and that we would submit to anything they did to us, because we have co-operated over a long period of time. Our members are not going to be kicked into submission."

He did not accept the implication that the letter had been sent on the initiative of the local manager alone.

Dr. Grieve, who called U. Continued on Back Page  
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# 9.7% per annum paid quarterly

ALL EQUITIES

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MOCK LETTER PLEASE

## Schlesinger Extra Income Trust



## OVERSEAS NEWS

## Norway shipping finance dispute still unresolved

BY FAY GJESTER

OSLO, June 30.

THE DISAGREEMENT between Hambros Bank and the State-backed Norwegian Guarantee Institute for ships and drilling rigs was not resolved at yesterday's meeting, but the Institute's Board, and no further developments are likely until the Board's next meeting, scheduled for Wednesday next week.

A spokesman for the Norwegian Shipowners' Association said today that while talks between Hambros and the Institute were continuing, the policy still hoped that a compromise could be achieved.

He would not comment on this specific case, but if the Institute should insist on a drastic re-negotiation of its shipping guarantees, this would give rise to further uncertainty abroad about the outlook for the Norwegian shipping industry and in particular about the Government's willingness to back the industry.

He pointed out that the Government had so far failed to implement any of the measures to assist Norwegian ship owners recommended by a Royal Commission which reported last January.

One of the Commission's general conclusions was that the Guarantee Institute's rules should actually be made more lenient, not less, and that it should be granted an extra Nkr 100 million of State money to enable it to offer guarantees on less stringent terms, thus permitting a far more comprehensive restructuring of debts than was at present possible, particularly for combinations and bulk vessels.

The present dispute between Hambros and the Institute concerns a three-year borrowing facility provided for Rektsten in December, 1976. The facility was designed to provide the Rektsten with a loan of 200 million Nkr to enable it to pay interest on existing loans, following a

reorganisation of the Rektsten interest.

The Institute's guarantee of this loan was based on what was then believed to be a "possible case" of a full lay-up of the Rektsten fleet until end-1979. Most experts now see the crisis lasting until the mid-1980s, however, and those Rektsten tankers not presently laid up are sailing at rates which barely cover operating costs, leaving little or nothing to meet interest costs or loan repayments.

Some Oslo sources suggest that the Institute has been prodded into action by the Government, which is worried about the shaky financial state of many shipping companies whose loans have been guaranteed by the Institute. The demand for re-negotiation of the Rektsten loan is likely, the sources say, to be followed by similar moves concerning guarantees on loans to other crisis-hit companies.

## Holland to make spending cuts

BY CHARLES BATCHELOR

THE HAGUE, June 30.

HOLLAND TODAY announced a package of cuts over the next three years. The cuts will affect every government department with the exception of Defence, Prime Minister Dries van Agt told a press conference. Austerity is necessary to improve the competitive position in foreign trade, to reduce inflation and hold down levels of unemployment, he said.

The proposals have now gone to Parliament a fortnight later than was first hoped and after a series of amendments. Ministers defended their own estimates. This has meant a two-month delay before Parliament returns from summer recess to debate the plan. Three years have been set aside for the plan, van Agt said. The proposals will require sacrifices from all sections of society—with the exception of use on very small incomes—for this reason the Government will hold joint discussions with employers and unions. But it is short and the plan does not need to lead to long delays in implementing the plan, van Agt said.

The economic targets outlined for a reduction in unemployment to 150,000 in 1981 from 200,000 now and for a cut in inflation to 2.3 per cent from 4.4 per cent now to match inflation in West Germany. Holland's major trading partner. Industry's profits and investments must be allowed to rise. The plan is also seen as a national effort to stimulate the world economy. Efforts to cut costs in Holland must therefore not lead to a decline in domestic spending. The Government hopes to maintain the purchasing power of most of the workforce but at the same time to hold down wage and price increases. The Fl 10bn in spending cuts mean that total public sector spending, including transfer payments, will rise from Fl 180bn

now to only Fl 200bn in 1981 and not to Fl 210bn as was previously forecast.

Patients will also have to pay part of hospital and other medical bills. Despite these cuts, the budget deficit will remain at dangerously high levels. It will be 6 per cent of national income next year compared with 5.3 per cent expected this year.

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## Dutch agree to support sale by Ureco to Brazil

BY CHARLES BATCHELOR

AMSTERDAM, June 30.

HOLLAND has agreed to support its partners in the Anglo-German-Dutch uranium enrichment company, Ureco, and supply enrichment to Brazil, despite its failure to get stronger guarantees that the fuel will never be used to make nuclear weapons.

The revolt by Christian Democratic MPs, which led to a three-day Parliamentary debate, fizzled out during an all-night session that ended early today.

Parliament rejected the Christian Democratic-Liberal coalition Government's plan for deliveries of enriched uranium when it was first presented in January. It sent the Ministers back for further talks with Holland's two partners in the project, Britain and West Germany, and with the Government was only able to achieve a promise from Brazil that, if no agreement on storing plutonium is reached, the uranium can be reached according to international guidelines, a temporary system will be set up at least two years before Brazil starts reprocessing the fuel in 1985.

Enough Christian Democratic party backbenchers were opposed to the idea of deliveries without stronger guarantees to give them a majority in Parliament, together with the opposition parties, to block the Government's plans. This could ultimately have led to resignations in the cabinet or even to the fall of the six-month-old cabinet, according to some Parliamentary sources, but after intense internal party discussions and three days of debate the Government carried the day.

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A brief interview given by the Czechoslovak Prime Minister, Stanislav Štefánik, after the meeting, said that the council had achieved at the meeting.

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## NZ &amp; Japan settle fishing dispute

By Charles Smith

TOKYO, June 30.

THE TRADE war between Japan and New Zealand which began last winter when NZ announced that Japan would be kept out of its newly established fishing zone unless it stepped up imports of New Zealand food products came to a formal end today.

The suspension of "hostilities" took the form of a joint communiqué issued in Wellington after talks between Mr. Robert Muldoon, the New Zealand Prime Minister, and the Japanese Minister of Agriculture, Mr. Nakagawa. The communiqué says that talks on a fishing quota for Japan will start in July (three months after Japanese fishermen were shut out of NZ waters when the new 200-mile zone came into force in April).

In return for the opening of Japanese waters to NZ dairy products (mainly milk powder and butter) for use in its foreign aid programme, it has not yielded to pressure for the liberalisation of imports of a broad range of domestic market but NZ has been offered the assurance that Japan regards it as "a most important and reliable supplier of dairy products."

NZ also seems to have failed to extract any undertaking from Japan for tariff cuts on construction timber (on the grounds that Japan could not take action on this without also reducing the tariff on Canadian Japan) but it has secured a commitment that this is not spelled out in the joint communiqué.

Agreement to end the trade dispute came after two days of talks held in Wellington which in turn followed informal contacts between Japanese and NZ leaders at the funeral of Sir Robert Menzies, the former Australian Prime Minister. A superficial reading of the joint communiqué suggests that NZ failed to shift Japan on almost all the points raised last autumn when Mr. Brian Talbot, its Deputy Prime Minister, visited Tokyo for talks. In particular, NZ seems to have had to retreat from its demand that Japan should substitute a deficiency payment system for domestic dairy farmers for the present price maintenance system which allows imports only when prices exceed a certain level.

## Tachograph exemption for UK

By Guy de Jonquieres

BRUSSELS, June 30.

THE European Commission today agreed to a UK request to exempt British-registered lorries from the tachograph rules requiring that coaches and lorries be fitted with tachograph time and distance recorders.

But drivers of mini-buses not equipped with tachographs are still liable to be fined entry at EEC ports if they try to take them across the Channel, as has happened on several occasions since the start of the holiday season this year.

This is because the exemption applies only to vehicles registered in the UK and is not valid in other countries unless their governments have asked for similar waivers. The only other country to have done so until now is Italy.

## French veto on jobs aid criticised

By Margaret van Hattem

BRUSSELS, June 30.

MR. HENK VREDERLING, the EEC Commissioner for Employment and Social Affairs, today launched a bitter attack on France for blocking proposals that the Community help finance job creation schemes for young people.

Mr. Vredeling said that an unusually direct and vehement criticism of a member government by a Commissioner, follows France's refusal in Luxembourg yesterday to allow the matter to be decided by a qualified majority vote, as suggested by some other member states.

France has no case at all, Mr. Vredeling said, in its refusal to compromise despite concessions offered by the others, has made all work on the proposals so far a complete waste of time, to the anger and indignation of the other eight.

The French invoked the so-called Luxembourg compromise of 1966, whereby a dissenting member of the Council of Ministers can veto a decision which it considers runs counter to its "vital national interests."

## Mondale in Israel for Mideast talks

BY DAVID LENNON

MR. WALTER MONDALE, the U.S. Vice-President, arrived this afternoon in an Israel worried about the political implications of the visit, originally designed to celebrate the country's 30th anniversary.

Mr. Menachem Begin, the Prime Minister, apprehensive that this marks the beginning of an American drive to pressure Israel to be more flexible in the Middle East peace negotiations, studiously greeted the Vice-President on his "goodwill mission."

The Americans are disappointed and angry over the tough Israeli stance in the talks with Egypt, which Washington fears may force President Sadat to abandon his peace initiative, launched when he flew to Jerusalem last November.

Mr. Mondale made it clear in his arrival speech that this is more than a public demonstration of American support for Israel.

"No issue is of greater importance to our two nations than the opportunity that we face today for peace and progress in the Middle East," the Vice-President declared.

He tried to allay Israeli fears about American intentions by stressing that the talks during his visit "will be based on the friendship and the solid and unshakable commitment between Israel and the United States."

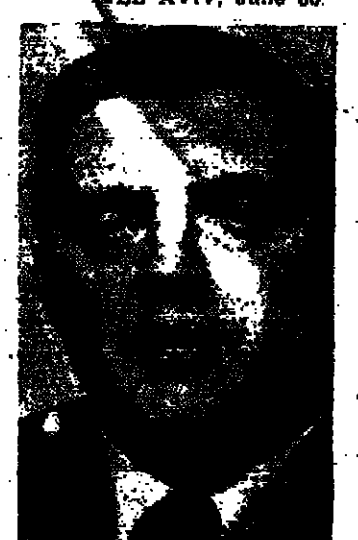
The Vice-President said that he welcomed the discussions which will be held and the benefit of learning Mr. Begin's views. Among the issues he expected to clarify while here is Israel's view of how to make progress in the peace negotiations and the prospects for the proposed meeting between the Egyptian and Israeli Foreign Ministers in London next month under the aegis of Mr. Cyrus Vance, the U.S. Secretary of State.

Mr. Mondale will hold individual talks with the senior Israeli Ministers as well as attend a joint meeting with the Cabinet Security Committee. He is accompanied by a senior team of Middle East experts including Mr. Harold Saunders, an Assistant Secretary of State, and two top White House aides.

The American team will fly to Alexandria in Egypt on Monday for talks with President Sadat. It has been reported from the U.S. that Mr. Mondale is carrying with him messages from President Carter to both the Israeli and Egyptian leaders urging them to resume the peace negotiations which have been stalled for six months.

Mr. Begin's efforts to play down the political significance of the visit appeared to be faltering today as the local press began to highlight the substantive nature of the talks.

The serious talks will get under way on Sunday.



Mr. Walter Mondale

## Cairo talks on Soviet threat

BY ROGER MATTHEWS

CAIRO, June 30.

DELEGATES from 17 Arab nations began arriving in Cairo today for the emergency session of the 22-member Arab League called to discuss the assassination of Col. Ahmed Hussein al-Ghazmi, the President of North Yemen.

The speed with which the meeting has been arranged reflects the deep concern, especially by the more conservative Arab States, over the involvement of the Soviet Union in the region and particularly at its alleged role in this week's overthrow and execution of President Saeed Rubai Ali of South Yemen.

Many of the countries who will be attending tomorrow's meeting have sent their Foreign Ministers and they will hear a report from the North Yemeni delegation supporting the overthrow of the South Yemeni Government and the signing of a mutual defence pact in 1976.

murder of President Ghazmi. The recent events in both Yemen, coupled with fears raised by the pro-Moscow coup in Afghanistan and the continued Soviet activity in the Horn of Africa, are seen by some Arab ambassadors here as part of a concerted Communist attempt to sow instability in the area and to pose a longer-term threat to the main oil-producing countries.

After a three-day meeting of the Egyptian and Sudanese Integration Committee which concluded last night, the Prime Ministers of the two countries issued a statement condemning the killing of the two Yemeni Presidents as an attempt to split the Arab world and spread insecurity in these countries bordering the Red Sea.

President Sadat of Egypt and Nurey of Sudan, who started moves for the integration of their two countries in 1974, signed a mutual defence pact in 1976.

are particularly concerned about a possible Communist threat to their regimes. Some senior Arab diplomats in Cairo, where Arab countries are also deeply involved in the region, are privately suggesting that the Middle East conflict with Israel should temporarily be relegated in importance while a concerted policy towards overtly "Marxist" regimes is hammered out.

Mr. Mondale is thought likely to raise the topic of the two Yemeni Presidents when he meets U.S. Vice-President Walter Mondale in Alexandria on Monday.

The impression is gaining ground in Cairo that should Mr. Mondale be able to report any flicker of movement in Israel's position following his visit to that country starting today, then Mr. Sadat will find a formula for allowing his Foreign Minister, Mr. Mohammed Ibrahim Kamel, to meet his Israeli counterpart, Mr. Dayan, in London next month.

## Firm U.S. line on Africa urged

BY OUR OWN CORRESPONDENT

SALISBURY, June 30.

A BLACK Minister in Rhodesia's transitional Government today appealed to U.S. President Jimmy Carter to grant this country international recognition.

Previously, only white South Africans and Asians were liable for call-up. Black troops, who constitute 90 per cent of the Rhodesian army, are all regular volunteers for the Rhodesian army.

The doctors and apprentices are the first blacks the Government has attempted to call up. In Parliament today, 14 of the 15 black MPs in the 88-seat House of Assembly walked out before a vote on legislation enabling Bishop Muzorewa, Mr. Sithole and Mr. Chirau to be taken a firm line on Russian and Cuban intervention in Africa.

At a press conference, Dr. Elliot Gubbala, the joint Minister of Foreign Affairs, criticised U.S. African policy as weak, insincere and submissive to the demands of rich or radical black states, and based on a "profound political and psychological fallacy."

Dr. Gubbala, who was flanked by two white government officials, declared: "The fact is that Africans respect strength even in their enemies and have no time for individuals or nations they consider cowardly or weak."

He urged that before next week's meeting of the 50-member Organisation of African Unity in Sudan, President Carter should make it clear to moderate black nations that the U.S. did not accept that "he who shouts loudest and threatens to sup with the Russian devil will receive the most dollars."

33 of Rhodesia's 55 black medical doctors, issued a statement saying they would not undergo national service in the Rhodesian House of Assembly walked out before a vote on legislation enabling Bishop Muzorewa, Mr. Sithole and Mr. Chirau to be taken a firm line on Russian and Cuban intervention in Africa.

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## Some need to re-interpret Mao hinted at

By Colina MacDougall

IMPORTANT article has been published in China's official newspaper, the Peking People's Daily, which hints at the need to re-interpret Mao's writings in a pragmatic manner.

A powerful group in the leadership, as represented by the newspapers, seems to be trying to reject the Maoist writings in favour of its own interpretation of the Maoist writings.

While the need for pragmatism has been stressed since the Mao leadership took power, it is the strongest and the most persistent yet to solve the problems in a pragmatic manner.

## Romania blocks Comecon schemes for integration

BY PAUL LENDVAY

VIENNA, June 30.

COMECON, the East European economic group adopted long term co-operation programmes in the fields of energy, fuel and raw materials, food and agriculture, as well as engineering, at its three-day Prime Ministerial council meeting in Bucharest, but concrete decisions were left to the individual countries.

Both the final communiqué issued by the delegation and the text of the meeting in Bucharest, but concrete decisions were left to the individual countries.

A brief interview given by the Czechoslovak Prime Minister, Stanislav Štefánik, after the meeting, said that the council had achieved at the meeting.

He revealed that the council session concentrated on the organisational methods and working style of the various Comecon bodies but while there was agreement on the principles, a deeper analysis must be made of the functioning of the mechanism.

The text of the speech delivered by the Romanian Prime Minister on Wednesday but released only last night reaffirmed Romania's opposition to any basic change in the work of the organisation.

Mr. Manescu stressed that the main method of economic, scientific and technical collaboration between the countries was and should remain co-operation on the basis of the national economic plans.

## Cargill—key role, low profile

BY DAVID LASCELLES

NEW YORK, June 30.

GILL INCORPORATED, the country's largest steel producer, and earn it about 15th position in the Fortune 500. Based in the big grain state of Minnesota, Cargill started life in 1865 as a grain and commodity merchant. But after years of steady expansion and acquisition, it now has interests that reach well beyond the farmyard. At the latest count it was into chemicals, coal, steel, and even insurance, leasing and financial services.

The company eschews the term conglomerate, preferring to explain much of this growth as the Cargill is a huge company with worldwide ambitions. Its steel division, for instance, turned scrap metal into a \$100m a year, which it put it ahead of U.S. Steel, both raw material and products

are traded on commodity markets. Many of its chemicals are primary commodities. Others, like resins, are an outgrowth of earlier days when the company processed resins out of farm produce, or have a direct connection like fertilizer.

Even so, the company's broad diversification, particularly into the financial field, and its growing interests abroad where it operates in 30 countries, singles it out as highly ambitious, to say the least. The company has a reputation for audacity on the tricky commodity markets, where its handling of other businesses is also characterised as shrewd.

The bulk of its business, though, is farm-related, principally the milling, merchandising and warehousing of grain and oilseeds. The acquisition of Eastwood into Cargill's growing poultry and egg division, where foreign activities have so far been concentrated in Latin America. The company's only previous interest in Britain was a scrap metal business.

France objected to aids for public sector schemes on the grounds that jobs created as a result would not make a valid contribution to the economy and would not provide more than a stop-gap solution to the problems of youth unemployment.

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Mr. Morarji Desai

## INDIAN POLITICS

## Desai's dilemma

BY K. K. SHARMA

NEW DELHI, June 30.

For all practical purposes, the Janata Party is now sharply divided. But in contrast, Mr. Desai's Cabinet is slightly more unified. More than ever, however, it is a coalition Cabinet, since it was only with the consent of the Janata's other constituent units that Mr. Desai was able to demand the resignation of Mr. Charan Singh and Mr. Raj Narain.

Support for Mr. Desai's action was given in an emergency cabinet meeting attended by all Ministers with the exception of the two who resigned. The 15 Ministers who remained in the cabinet agreed that Mr. Charan Singh's call for the immediate arrest of Mrs. Indira Gandhi was a violation of the principle of collective responsibility of the cabinet. This decision was sent to Mr. Charan Singh in a sharply worded letter from Mr. Desai in which he demanded the Home Minister's resignation.

Mr. Charan Singh said today that his action was against all Ministers with the exception of the two who resigned. The 15 Ministers who remained in the cabinet agreed that Mr. Charan Singh's call for the immediate arrest of Mrs. Indira Gandhi was a violation of the principle of collective responsibility of the cabinet. This decision was sent to Mr. Charan Singh in a sharply worded letter from Mr. Desai in which he demanded the Home Minister's resignation.

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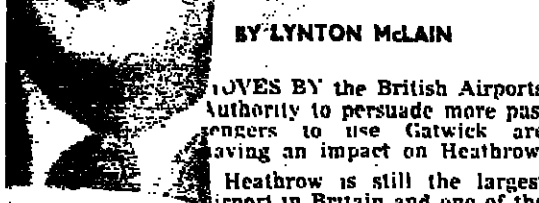
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HOME NEWS

st talk  
Gatwick grows faster than Heathrow



BY LYNTON McLAIN

MOVES by the British Airports Authority to persuade more passengers to use Gatwick are having an impact on Heathrow. Heathrow is still the largest airport in Britain and one of the largest in the world with its capacity of 30m passengers a year. But latest figures from the authority show that passenger traffic last month at Gatwick grew four times faster than Heathrow compared with the same month last year. More than 22m passengers used Heathrow last month, 7 per cent up on the previous May. In comparison, 687,700 passengers used Gatwick, a rise of 26 per cent on the same month last year. Stansted, Essex, improved its growth record last month at 13.9 per cent. It is double that of Heathrow. The marked growth at Gatwick was mainly because of the move of all whole-charter flights after April 1 from Heathrow and Stansted. This was designed to take the pressure off Heathrow and use the new capacity at Gatwick, where a £100m, six-year expansion programme has been completed. The authority boosted capacity to 16m passengers a year, but in the year to the end of May only 6.8m passengers used the airport. The authority wanted to use this spare capacity by boosting the number of scheduled flights to and from Gatwick. These moves, backed by the Government, have failed.

Persuasion

The authority is concentrating on persuading airlines serving Canada, Spain and Portugal to use Gatwick as their UK base. The Government has used the bilateral route talks with Canada to raise the issue of Air Canada's withdrawing from Heathrow for Gatwick. The authority said last night that success would mean reciprocal transfer of all British Airways flights between the UK and Canada to Gatwick. A duty-free shop was opened this week at Gatwick for travellers to the Irish Republic. The move by the authority followed the decision by the UK and Irish Governments to permit duty-free facilities between the two countries. Flights to Eire from Gatwick are handled through domestic flight channels which by-pass the existing duty-free shop.

Planners to hold 'surgeries'

CITY OF LONDON CORPORATION planners want to meet the people who live and work in the City to find out how they think it should develop in the next decade, so they have arranged a series of "surgeries". The City is preparing a development plan and wants to discuss six topics: transport, recreation and leisure, catering, archaeology, community services and pedestrian walkways. There will be two public meetings, at Guildhall on Wednesday and the Barbican on July 10, and "surgeries", at which members of the planning staff will meet people individually to hear their comments and suggestions.

Fiat recalling 5,000 cars

FIAT is recalling 5,000 of its 127 model sold in Britain during 1974 and 1975, for a check on a brake hose. The problem is similar to that encountered by most other car manufacturers who were forced to use a different type of material for the hose under a common Market ruling.

Navy orders £10m Boeing hydrofoil

BY LYNTON McLAIN

THE NAVY has gone ahead with its plan to buy a £10m Boeing Jetfoil hydrofoil for fishery protection duties in the North Sea. The order was announced last night by the Ministry of Defence. The 117 tonne vessel will be bought off-the-shelf from Boeing in a move which means a temporary end to the plans of British Shipbuilders to build hydrofoils under licence in under-used shipyards.

Mr. Michael Casey, chief executive of British Shipbuilders, said last month that hydrofoil manufacture was one option open to the co-operation in its moves to diversify from traditional shipbuilding. The plans might have been realised if the Ministry of Defence had ordered the hydrofoil from the Grumman Corporation of New York, a main competitor to Boeing in hydrofoil manufacture.

Grumman had invited Vosper Thornycroft, part of British Shipbuilders, to build at least half of its Flagstaff hydrofoils. Vosper could have built the hull, sub-systems and other equipment for the Navy's first hydrofoil if it had been ordered from Grumman.

The changes necessary to meet its new role may provide limited work for other UK companies. The Ministry said: "Boeing has undertaken to direct its best efforts to arrange for work unique to the craft to be performed in Britain."

Further Jetfoil orders from the Navy could result in a work-sharing agreement with a British manufacturer.

More orders would depend on the outcome of trials not expected to start until 1980. But details were given, but all Jet-foils are understood to contain a small number of UK components. The craft to be delivered to the Navy late next year will be similar in most respects to the existing passenger-carrying version.

Contract

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May casts a cloud over brewers

BY KENNETH GOODING

MAY was a disappointing month for brewers: beer production fell by 0.5 per cent from the May last year level to 3.65m bulk barrels (about 1.025bn pints).

The Brewers' Society said the performance was mainly affected by the poor weather.

Certainly, with two bank holidays in the month, the industry might have expected a reasonable increase in sales which, to some extent, would have been reflected in the May output statistics.

The society said: "With beer prices likely to be fairly stable for some months, subject to their being no duty increase, this year's performance will be largely dictated by the amount of midsummer sunshine."

Boosted by some large increases in early months, output for the first five months of this year totalled 15.86m barrels (equivalent to about 4.568bn pints) and was 3 per cent ahead of the same period last year.

This is almost in line with the society's recent forecast that the UK beer market can be expected to grow at an average annual rate of 2.23 per cent from 42m barrels (12.1bn pints) this year to 49m barrels in 1985.

Such a performance would not be very different from historic trends for the industry has seen a steady 2 to 4 per cent rise in annual output since 1959 except for a slight downturn last year.

Built into the forecast, by the society's statistical advisory group, were predictions on the economy, beer prices and population. Average weather was assumed, although it is known that a hot summer can increase beer sales by 2 per cent.

Joseph would cut grants

SIGNIFICANT CHANGES in Government regional policy are planned by the Conservatives if they win the General Election. This was confirmed by Sir Keith Joseph, Opposition spokesman on policy and research, during a visit to Cardiff yesterday.

He said that as part of a general programme of public expenditure cuts the Tories proposed a limit on the rate of grant for large capital projects such as new petrochemical capacity.

There has been widespread criticism of the amount of public money going into multi-million-pound petrochemical projects in development areas which create relatively few permanent jobs.

Sir Keith said the Tories proposed amending the grants system to relate the amount of aid to the number of jobs created.

The second change would raise the threshold for industrial development certificates, which are the stick, as opposed to the carrot, of the Government's regional policy. Companies proposing expansions involving more than 15,000 square feet of factory space require a certificate.

The Government has already raised the threshold from 15,000 square feet, but Sir Keith said a further increase was required in view of the unemployment problems of areas previously unaffected by economic difficulties.

A likely third change was office building controls. Sir Keith said this year was not inclined to maintain the system of office development permits.

Home loan Bill becomes law

THE GOVERNMENT'S scheme to give cheap loans to first-time home buyers became law yesterday when the Royal Assent was given to the Home Purchase Assistance and Housing Corporation (Finance) Bill.

Royal Assent was also given to the Nuclear Safeguards and Electricity (Finance) Bill, which authorises extra finance for the Central Electricity Generating Board and provides safeguards for nuclear installations.

But the proposition, agreed to by Major Clarke, led to his com-



1970



1977

By Peter Riddell, Economics Correspondent

Less work needed to buy a wee dram

THE WORKING time required to buy a bottle of whisky has fallen from six hours to three hours and 20 minutes since the beginning of the decade.

This is revealed in a Commons written answer showing the number of minutes work required to pay for various items for a male manual worker over 21 on average gross weekly earnings and hours.

The inquiry shows that the working time required to buy a wide range of consumer items fell sharply between October, 1970 and 1974 and increased in the three years to last autumn. It may have slipped back since then in view of the faster growth in earnings in the current pay round.

The most spectacular changes have been in weekly mortgage repayments where the number of minutes work jumped from 520 to 740 in 1970-74, but fell back to 580 by last autumn. This reflects the fluctuations in the mortgage rate. The time required to pay the rent of a council house has fallen.

Among the clearly more expensive items have been the cost of postage, telegrams, tea, cod fillets and cheese.

Comparisons are affected by the level of indirect taxes as well as by the rate of growth of prices and earnings. This was particularly rapid in 1974, thus reducing the working time required to

purchase an item. The sharp rise in oil prices of 1973-74 has made little long-term difference to the figures and the number of minutes required to buy five gallons of petrol has fallen slightly compared with 1970 and 1974.

The working time required to buy 5 cwt of coal fell from 510 to 380 minutes in the four years to October, 1974, but since has climbed to 580 minutes.

Source: Treasury

HOW MUCH WORK TO BUY A PINT

Number of minutes work required to pay for items\*

October, 1970 1974 1977

Weekly rent of 3-bedroom council house

3-bedroom semi-detached house

3lbs of beef sirloin (without bone)

1lb of tea

1lb cheddar cheese

5 gallons of petrol

Weekly season ticket, Surbiton/Waterloo

Postage on 5 letters

20 cigarettes

1 pint of beer

1 bottle of whisky

\* Average gross weekly earnings for men aged over 21 in manual jobs.

Labour's Left-wingers call for more public spending

BY RUPERT CORNWELL

SPARRING over the contents of Labour's election manifesto heated up last night as leading Left-wingers called for the party to commit itself to higher public spending, an expanded role for the National Enterprise Board and a much more stern line with the EEC.

Mr. Eric Heffer, a prominent member of the national executive committee and of the Parliamentary Tribune group, insisted on a Left-leaning manifesto, based on Labour's 1976 policy programme and on decisions of the last party conference.

However, the more controversial demands certainly will be strongly resisted by the Prime Minister. Although Labour's manifesto in theory is worked out jointly by the Cabinet and the committee, Mr. Callaghan is determined to imprint his moderate views firmly on it.

The main priorities laid down by Mr. Heffer at a Labour rally in Crawley last night were: Progress towards a shorter working week, more work sharing and earlier voluntary retirement, coupled with increased public spending especially on health and education, to bring down unemployment.

Changes in the workings of the Common Market to meet the needs of the UK, if these cannot be agreed, Britain should take steps to extricate itself from the EEC.

An extension of planning agreements, a reinforced enterprise Board and tighter controls over bank and financial institutions to ensure the State a better grip on investment.

Abolition of the Local Government Finance Act, coupled with a strengthening of the Commons. These moves should be backed by a full-scale Freedom of Information Act and the "democratisation" of the Civil Service; and Steps towards genuine industrial democracy to give workers a real involvement in decision-making, as well as measures to give protection to the family.

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BL and Chrysler put up prices of their cars

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

PRICES OF BL (formerly British Leyland) and Chrysler cars go up on Monday. The BL increase of 4.9 per cent is the biggest in the mid-year round by the UK's "big four" car manufacturers.

Chrysler's British-built models go up by an average 3.3 per cent. Ford led the way with a 3.8 per cent rise on June 1. Since then Vauxhall has made a 3.7 per cent increase.

BL's decision to go for higher increases seems to have been prompted by the determination of Mr. Michael Edwards, the new chairman, to maintain profit margins as much as possible rather than pursue a competitive pricing policy.

A similar situation occurred in January when BL put prices up 6.5 per cent, well ahead of Ford (4.8 per cent), Vauxhall (5.2 per cent) and Chrysler (4.5 per cent).

In January, BL weighted its increases more heavily on the more expensive models, but the latest rises spread the load more evenly.

On the Austin Morris range, the increase is 5 per cent, with 4.88 per cent for the Jaguar/Koever/Triumph group.

One significant exception is the Range Rover. BL has been criticised again recently for apparently underpricing this best-selling vehicle. The price is the lowest in the mid-year round by the UK's "big four" car manufacturers.

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## HOME NEWS

## BOYLE REPORT ON TOP SALARIES

## Support for 70% pay rises

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

PAY RISES of £15,000 a year or more for chairmen of public service nationalised industries plus increases of up to £11,000 for senior judges and other top public servants were recommended yesterday in the Boyle Report on Top Salaries.

These amounts to rises of up to 70 per cent, and the report says that they should be phased in not more than three stages for full implementation by April 1, 1980.

The average increase recommended is 31 per cent which averages out, says the report, at 8.5 per cent for each of the years since its last review in 1974.

During that period, it points out, the retail price index has risen by 63 per cent.

## Two reasons

The report acknowledges that in some cases the salaries recommended involve substantial increases.

There are two simple and interrelated reasons for this: "Many of the appointments currently receive salaries that reflect part only of those that were recommended by us — and accepted by the Government — as appropriate at January 1, 1978; and the great majority of nationalised industry Board members currently receive salaries that were based on the 1969 recommendations of the National Board for Prices and Incomes, increased only in 1974 on the basis in 1975 and subsequently supplemented by the modest amounts permitted under pay policies since that date.

"In these circumstances, it is hardly surprising that the individual increases now appropriate are large, measured against the levels that we recommended for January 1975 they are much less so.

"They will appear large when set against the background of three years of restraint measures but the background of our recommendations is longer than three years, and it includes the first half of 1975 which, as our salaries survey has confirmed, as the end of a period of exceptional increases for earnings at all levels in other sectors," says the report.

The Government would have considered the recommendations against the background of the continuing need for restraint and staging may therefore be necessary.

## Three stages

"But we wish to make three points unequivocally. First and foremost, there must be no scrupulousness on this occasion about the period covered by our recommendations. The Government should give clear commitment in principle to the salaries that we recommend, and should provide for their immediate introduction in full for pension purposes."

Second, we agreed it as vital at the Government should give clear commitment in principle to the salaries that we recommend, and should provide for their immediate introduction in full for pension purposes."

Third, there should not be more than three stages, with the achievement of the full recommended levels not later than April 1, 1980. "It will be necessary also to ensure that the recommendations are brought into date by the normal review process in the intervening period. The Government has committed itself in respect of the April 1, 1980, recommendations from the review body on doctors' remuneration and from the review body on armed forces' pay, the same principle should

## Chairmen and members of Nationalised Industry Board

	Chairman (£)	Deputy Chairman or equivalent (net salaries in brackets) (£)	Full-time Board member (£)
British National Oil Corporation	50,000 (18,939)	33,500-41,500 (15,811-17,589)	27,000-35,000 (14,408-16,231)
National Enterprise Board	45,000 (17,882)	31,500-38,500 (15,366-16,922)	26,000-31,500 (14,108-15,445)
British Rail			
British Gas Corporation			
British Shipbuilders			
National Coal Board	40,000 (16,824)	26,500-32,500 (14,198-15,588)	21,000-26,000 (12,590-14,108)
British Airways Board			
British Aerospace			
Electricity Council			
Central Electricity Generating Board	35,000 (15,767)	25,000-30,500 (13,752-15,144)	20,500-25,000 (12,417-13,809)
United Kingdom Atomic Energy Authority			
Scottish Development Agency			
National Bus Company			
National Freight Corporation	28,000 (14,286)	20,500-25,000 (12,374-13,752)	16,500-20,000 (10,919-12,244)
Civil Aviation Authority			
Cable and Wireless			
Commonwealth Development Corporation			
North of Scotland Hydro-Electric Board			
South of Scotland Electricity Board			
Welsh Development Agency	25,000 (13,509)	18,000-22,000 (11,480-12,861)	14,000-17,500 (9,772-11,318)
British Transport Docks Board			
Scottish Transport Group			
National Water Council			
Regional Water Authorities	20,000-25,000 (12,020-13,509)	—	—
Area Electricity Boards	20,000-24,000 (12,020-13,221)	14,500-17,500 (9,992-11,284)	—
British Waterways Board	16,000 (10,546)	11,500-14,000 (8,412-9,749)	7,500-11,000 (5,755-8,124)

salaries in nationalised industries averaged £13,900 and this was broadly similar to the total remuneration package in the private sector.

The review body says that the position of the chairmen and members of nationalised industry Boards presented "the greatest single problem in our current review." The report notes that the nationalised industry Boards have received no part of the increases of £12,000 or more which were recommended in 1974, whereas the increases recommended for the other three groups were accepted in principle by the Government and, although they have only been partially implemented because of pay policy restrictions, they have been applied for pensions purposes.

It is noted, however, that the Government decided that the nationalised industries group could receive a general increase of 5 per cent with effect from January this year, with up to 10 per cent being paid to the less well-paid members.

**Quality**

When the Prime Minister announced this, on December 15 last year, he recognised that that increase would still leave nationalised industry Board members significantly out of line with their counterparts elsewhere. The report draws attention to the extent of the comparison and overlap from senior executive salaries below Board level, and to the implications of out-of-date salaries for the ability to recruit and to retain the quality of Board members required for the top management of industries.

Review Body on Top Salaries. Report No. 10. Second Report on Top Salaries. NO. Price £3.

	Recommended salaries (£)	(Recommended salaries net of tax, assuming a married man without dependent children) (£)
a. Senior grades of the higher Civil Service		
Head of Home Civil Service	28,000	(13,473)
Permanent Secretary, Treasury	26,000	(13,108)
Secretary to Cabinet	23,500	(12,461)
Permanent Secretary	20,000	(11,530)
Deputy Permanent Secretary	16,000	(10,199)
b. Senior officers in the Armed Forces		
Admiral of the Fleet	28,000	(13,124)
Field Marshal		
Marshal of the RAF		
Rear Admiral	16,000	(10,043)
Major General		
Air Vice-Marshal		
c. Judiciary		
Lord Chief Justice	34,000	(15,273)
Master of the Rolls		
Lord of Appeal	31,000	(14,663)
Lord President of Session (Scotland)		
High Court Judge	26,000	(13,601)
Judge of Court of Session (Scotland)		
Puisne Judge (N. Ireland)		
President, Lands Tribunal (England and Wales)	20,000	(11,880)
President, Transport Tribunal		
Chief National Insurance Commissioner	19,500	(11,716)
President, Industrial Tribunals (England and Wales)		
Circuit Judge		
Chief Metropolitan Magistrate	17,500	(11,023)
Members, Lands Tribunal (England and Wales and Scotland)		
National Insurance Commissioner		
Judge Advocate General		
Sheriff A (Scotland)		
County Court Judge (N. Ireland)		

## NALGO likely to accept deal

By Nick Garnett, Labour Staff

LOCAL AUTHORITY white-collar staff, the only major group still to settle under Phase Three, seem certain next week to accept a pay and conditions deal with employers.

Delegates of the National and Local Government Officers' Association, which has the voting majority on the union side of the National Joint Council, voted yesterday three to one to accept the package.

The offer, covering 530,000 local government staff, will be formally voted on at the joint union meeting on Tuesday before a meeting with employers next day.

The deal would add marginally more than 9.9 per cent to pay rates. The increase would be consolidated, together with Phase Two supplements, but not those of Phase One.

The package, still being scrutinised by Government Departments, includes an extra day's holiday for staff over 18 earning up to £3,800 a year; improved residential allowances; and increased standby payments for social workers.

The employers have been asked to improve holiday entitlement to staff aged below 18 and to introduce a reopening clause although employers' response will not affect acceptance of the package.

Negotiators for NALGO, which represent 410,000 staff covered by the agreement, are confident that the offer will not be ruled outside guidelines, although as with the local authority manual workers' deal parts of the package are difficult to cost.

## NUJ move to quit pay pact

By Pauline Clark, Labour Staff

OWNERS of Fleet Street newspapers are considering action "to protect the interests" of national newspapers as a whole after a move by the National Union of Journalists yesterday to put out of the national pay agreement.

After a meeting with the council of the Newspaper Publishers' Association, whose national agreement covers all Fleet Street newspapers except the Mirror Group, Mr. Kenneth Ashton, NUJ general secretary, said that a new minimum salary offer of £3,750 had been rejected.

The union believed that this was not a realistic reflection of the salaries already being paid to Fleet Street journalists.

It had told the NPA that its members in the private newspaper houses would now be submitting claims to their management for house agreements.

The NPA said yesterday that during the six months required for notice to terminate the national agreement it would do "everything possible" to persuade the NUJ to change its mind.

Its council said that since the step taken by the NUJ would be "completely contrary" to efforts being made by other unions and managements in Fleet Street to improve industrial relations in national newspapers, it would have "to take immediate steps to protect the interests of the industry as a whole."

## Chrysler tries to solve two plant disputes

BY JOHN LLOYD AND ARTHUR SMITH

MEETINGS AIMED at settling summer months when the three-day dispute which has halted production at Chrysler's Linwood plant were held yesterday at the offices of the Advisory, Conciliation and Arbitration Service in Glasgow.

Officials from the service met Chrysler management and representatives of the Transport and General Workers' Union separately. Both sides stated their positions but there was no progress in reconciling views.

At the same time, 350 toolmakers at Chrysler UK, Coventry, threatened to strike from Monday.

AT LINWOOD, a meeting of 500 transport union members who work in the paint shop, the centre of the dispute, voted to ask the arbitration service to help now, although some shop stewards dispute these figures.

Chrysler said it would meet service but added that the unions had demonstrated that "they were not willing to accommodate wage increase from July 1 but the management's proposals in any way."

More than 500 paint shop workers are on strike and a further 3,000 production line workers have been laid off. About half of the plant's 8,000-plus workforce continues to produce components for the car production line, which are being stockpiled.

The dispute centres around the demand by Chrysler that the two 15-minute breaks taken by some paint workers be reduced to 10 minutes. Under an agreement made in 1975, the paint shop workers take these breaks in the to meet again on Monday.

## Singer stewards to hire firm of consultants

BY JOHN LLOYD, INDUSTRIAL STAFF

SHOP STEWARDS at the Singer Sewing Machine Company, Clydebank, are to hire a firm of consultants to do a study on a possible alternative future for the plant, where more than 2,500 of the 4,800 workforce are threatened with redundancy over the next four years.

Two of the country's leading consultants, PE Consultants, have been asked to submit proposals. A choice will be made between them in the next three weeks.

The shop stewards' initiative is in line with proposals made in them by the Scottish Economic Planning Department, where officials met the stewards earlier this week.

How the study is to be funded has not yet been settled. But Mr. John McFadyen, Singer shop stewards convenor, said yesterday that he hoped the Government would provide some of the money. The trade unions and Singer itself would also be approached.

The stewards yesterday met 10 Scottish Labour MPs, who expressed their support for the study. A further meeting has been planned for July 26 in London.

## Post Office engineers told to end sanctions

BY OUR LABOUR STAFF

THE POST OFFICE issued a warning yesterday that it would no longer tolerate its engineers' refusal to "work normally."

The Post Office Engineering Union has been refusing to commission new exchanges for the last eight months in a dispute over a shorter working week, and was due to begin a national overtime ban from midnight last night.

Some engineers had been imposing more stringent sanctions than the refusal to commission new exchanges and work on machinery connected with those exchanges, the Post Office said yesterday.

Such broadening of sanctions would be countered by the sending home of those concerned.

A large number of warnings have already been issued to members of the union in Edinburgh yesterday. A thousand engineers left their jobs in protest at the sending home of one of their colleagues.

The union says that the management has heightened the dispute by sending home some of its members who have been working normally, other than in the commissioning of new exchanges.

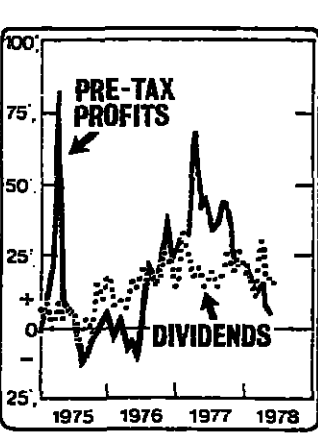
## Profits fall continued in June

FINANCIAL TIMES REPORTER

REPORTS and accounts 41 per cent, while other notable in by 147 companies this gains occurred in Boots and it showed a continued downward trend in pre-tax profits recorded advances of about 17 per cent in reports received since beginning of the year.

Conspicuous reductions were recorded by Courtalds and Vickers, which turned in figures more than a third down on the comparable results a year ago.

Dividend costs increased by 16.1 per cent on the previous year, bringing the average increase for the second quarter to 19.6 per cent. In the first half of the June reports with quarter, dividend cost increases in pre-tax profits of nearly



## More power to curb radioactive goods

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

ERS were added to the Government yesterday to give under Safety Bill yesterday, Mr. Roy Hattersley, Secretary of State for the Environment, to approve a containing radioactive substances before they are used. This means he will be able to prohibit the supply of goods if he considers them to be unsafe.

An amendment was added to Bill in the Lords by Lord Stone (Conservative) that the Secretary of State be able to decide whether or not a substance is radioactive, and the consequences of radiation on users of the goods. The level of radiation may itself be enough to cause injury to a user," said Mottishaw. "But, together with radiation from other sources, it may give rise to risk."

The Government, Lord Stone of Coslany inserted an amendment safeguarding confidential information which com-

## Council grants for factory repairs

PEERS VOTED

PEERS VOTED against the Government yesterday to allow local authorities in industrial improvement areas to give loans or grants for exterior decoration and repair of factories and other industrial premises.

The change came during the report stage of the Inner Urban Areas Bill, which enables the Government to designate local authorities who, in turn, may declare areas of special need to be industrial improvement areas.

Voting on the Tory backbench move was 42 to 23, a majority against the Government of 19, and the report stage was completed.

## Trocadero site hold-up

WESTMINSTER COUNCIL has deferred a decision on the future of the Trocadero site. Piccadilly, until the end of this month.

## Overall makers expect improved trading

CONCERN ABOUT levels of low-cost imports was coupled with a more optimistic forecast of future trading prospects by the Overall Manufacturers' Association of Great Britain at its annual meeting in Manchester.

Mr. George Bell, retiring chairman, said yesterday that the National Coal Board, in a "completely new venture," had begun placing orders for miners' working clothes.

A substantial increase in sales of protective clothing could also be expected once the economy improved, helped by Britain's new health and safety legislation. The TUC has estimated that more than 11m workers would need protective clothing.

However, there were doubts at the meeting about the extent to which the industry could expect to benefit from the new multi-fibre arrangements. It was clear that quotas for the first quarter of 1978 for work wear and jeans had had no real effect, because imports were below the quota figures.

There was no possibility of renegotiating quota levels, Mr. Bell added.

Pressures on public authorities to buy garments manufactured in the UK, and support from clothing trade unions and employers, were among the points put forward in a campaign of action urging support for the domestic industry.

## Appeal on subsidies to housing associations

FINANCIAL TIMES REPORTER

HOUSING associations should be more to satisfy public scrutiny and to extend their accountability for the public subsidies they receive, the Housing Corporation said yesterday.

It urged its 2,700 registered associations to be more responsive to the interests and opinions of the communities where they worked.

A balance had to be struck between the independent nature of housing associations, which depend on the voluntary efforts of well-motivated individuals, and the need for public accountability.

A circular from the association pointed out that there were stringent safeguards over the control of public finance lent to housing associations. But they are asked to consider the social and political aspects of accountability as well.

"It is particularly important that registered associations develop and maintain close working relationships with local authorities in whose areas they operate and see their work in the context of the local authorities' strategic housing plans."

"Every association should look again at its policies and organisation to see how its responsiveness can most effectively be further increased."

## New computer for airport operations

THE BRITISH Airports Authority has installed a Honeywell large-scale level 86 computer at its headquarters at Hayes, Middlesex, in place of the model 2080 which it has used for the past five years.

One of the biggest applications to be transferred to the new computer will be the online system for invoicing landing fees and associated airport charges, alongside them UKAPE—or for

## Judge rejects ACAS report against union

BY ALAN PIKE, LABOUR CORRESPONDENT

IT WAS a "clear error in law" for the Advisory, Conciliation and Arbitration Service to take the view that it would never recommend recognition of a trade union when this would not fit in with existing collective bargaining arrangements in a company or industry, Mr. Justice May said yesterday in the High Court.

He was giving judgment in a case in which the non-TUC affiliated United Kingdom Association of Professional Engineers sought to set aside an ACAS recognition report on representation at APE-Allen, a Bedford engineering company.

The judge found that ACAS had failed to discharge its duty to report on a recognition issue in accordance with law and declared the report void.

The case arose from an attempt by the engineers' association to obtain recognition on behalf of senior engineering staff at APE-Allen. ACAS failed to recommend recognition for the union although a survey showed that it was supported by 78 per cent of the staff it wished to represent and 35 per cent—more than any other union—among a wider group.

In his judgment Mr. Justice May said the association's recognition application had been "vehemently opposed" by the large Confederation of Shipbuilding and Engineering Unions affiliated to the TUC, which clearly contained the threat of strike action should ACAS decide to recommend the association's recognition.

Strike action was threatened because the large established CEU and TUC-affiliated trade unions would take it amiss if alongside them UKAPE—or for



THE WEEK IN THE MARKETS

Market income sensitive

Rumours that dividend restraint was on the way out at last filtered through the market for much of the week but few took these seriously enough to spark any real life in equities. Indeed Wednesday activity in equities was the lowest this year.

But clearly the market is very

Hambros at sea

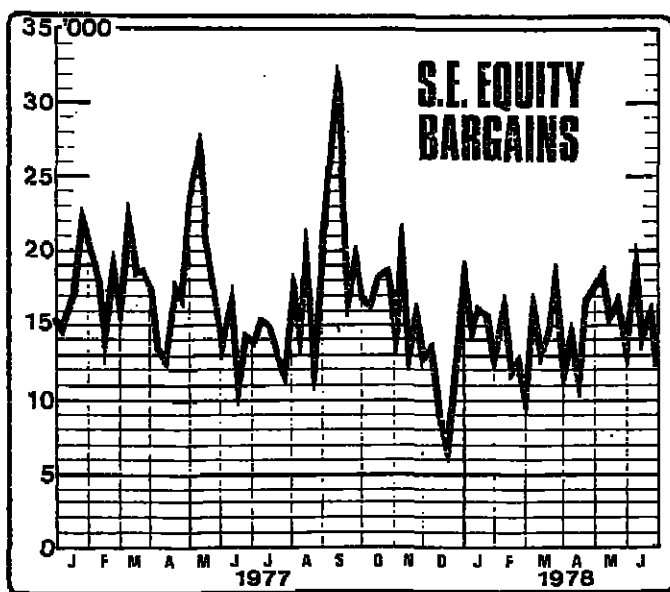
It has been an unsettling week for Hambros. The news from Norway is that the Government-backed Norwegian Guarantee Institute for Shipping wants to reduce its commitments under guarantees for something like £50m of loans they back down on this guarantee. The shares have fallen by 20p to 188p since Tuesday.

Briefly, the Institute in 1976 guaranteed a loan facility on which Reksten draws to pay the costs of laying up its ships, and to pay the interest on its borrowings from Hambros. If the Institute stops its drawing involved in negotiating tactics on the facility, Hambros will not get its interest instalments (or possibly only a proportion of them).

Looked at from one angle Hambros is not in a strong position to resist any new conditions imposed by the Institute. It is unlikely to want to foreclose on Reksten and try instead to sell tankers on today's disastrous market. Nor can it want to sue what amounts to the Norwegian Government for breach of contract.

From another angle, though, it is the Norwegian authorities which are in a cleft stick. If they back down on this guarantee, the international financial world will see it as a crack in their support for the slump-stricken Norwegian shipping industry. And this could put intolerable pressure on companies with foreign borrowings which account for a third of the nation's total foreign debt.

Both sides are currently involved in negotiating tactics and a compromise will doubtless



pointed up the international advantages of the merger. He wants to extend his international insurance network rather than take Lime Street by storm.

THF bullish

Trust Houses Forte's shares which have consistently outperformed the stock market this year jumped another 18p this week to 220p—adding £13m to the group's market capitalisation—on the back of a 17 per cent increase in first half pre-tax profits.

In fact, the trading performance was even better than the pre-tax comparisons suggest, for the figures last time included profits of £1.1m from the disposal of the Terry's chocolate business.

At the trading level THF's profits are up by 30 per cent from £15.2m to £19.8m, with margins up a point at 7.3 per cent. Occupancies in London hotels may have fallen in the first half, but higher prices and increased occupancies in provincial hotels have more than made up for any decline in the number of visitors coming to stay in the capital after last year's jubilee celebrations.

Moreover, overseas hotel profits have shown excellent growth particularly in the U.S. while catering is also up despite a flatter performance from the airport side.

The bulk of group profits is earned in the second half and THF is sounding reasonably optimistic. So full year profits may well exceed £50m—a gain of more than 30 per cent.

Hall of fame

AMERICAN insurance broker Frank B. Hall (motto: we make you safe—you make us famous) finally produced a bid for Lloyd's broker Leslie and Godwin which has satisfied the Lloyd's establishment.

The bid—a straightforward cash offer of 125p a share—puts a value of around £25m on Leslie. But the reconstruction of the Leslie companies that has to take place after the bid to satisfy the Lloyd's 20 per cent (or thereabouts) limit on ownership of Lloyd's brokers by outside insurance interests is a puzzle.

What the reconstruction entails is the lumping together of all Leslie's Lloyd's broking interests into one subsidiary, Leslie and Godwin International. In that company, Hall is to be allowed to hold 25 per cent. Who holds the balance is not yet clear. But Lloyd's is looking for the ultimate holder to be a non-insurance interest acceptable to the Committee. Day by day control, Lloyd's says, of a Lloyd's broker should lie in the hands of those with long experience in and knowledge of the Lloyd's market.

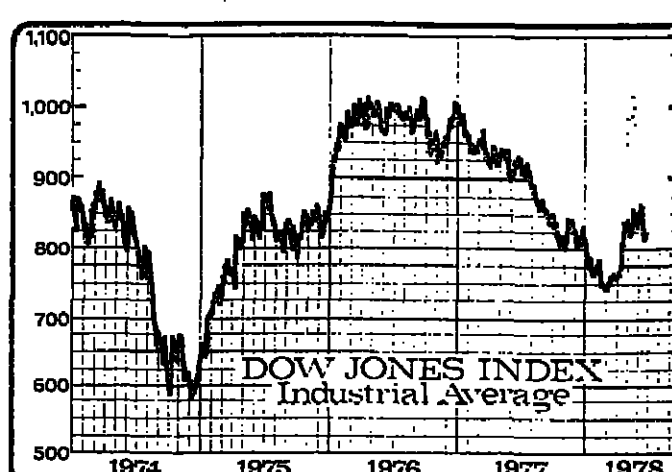
Enter Rothschild Investment Trust: it has had an association with Leslie for around 10 years; RIT's chairman Mr. Jacob Rothschild is Leslie's chairman; and RIT holds 10.5 per cent of the present Leslie equity. So RIT is entering into discussions with a view to acquiring 75 per cent or less of Leslie and Godwin International.

There was some criticism as to the vagueness of the details of the new LGI operation. No clear indication was given of what proportion of the profits Lloyd's broking interests represented. But this was understandable as LGI, little more than a paper vehicle designed to keep Lloyd's happy, has yet to be created. There is considerable latitude in how the costs and more important commissions are shared out with Frank B. Hall. But whether RIT shareholders want a share of the Frank B. Hall of Fame is another matter.

Meanwhile Hall's chairman, Mr. Albert Tahmouh tactfully

Holiday mood hits as everybody waits

NEARLY HALF of Thursday's comparatively feeble 21.6m share trading volume on the New York stock exchange was registered in the first two hours. Among other things this demonstrates that hard-driving Wall Street is as susceptible as anywhere else in the world to grabbing an early start to a holiday weekend. In actual fact, Independence Day is not until next Tuesday and the exchange will be open on Monday but the imminence of a holiday has given the stock market a somewhat distracted and nondescript air over the past few days.



Industrial activity remains extraordinarily high for the 38th month of an economic recovery. Industrial profits will be healthy this year and there are hundreds of good stocks selling for six or seven times earnings to yield dividends of 10 per cent or more. Moreover, a vocal school of economic opinion argues that interest rates will peak within the next few months and this, as any technical analyst will tell you, is more often than not the precursor for a genuine stock market recovery.

NYSE's retreat has been remarkably broad based. The week ended June 22, the Dow Jones Industrial Average slipped 2 per cent, but 11 value line composite averages of 1,700 stocks fell 2.8 per cent and the value line industrial

average fell 2.8 per cent.

The gremlins

In an unexciting way gambling stocks have again some entertainment speculative investors decided cream off some of the profit generated by the recent leap value of many of these stocks. A communications gremlin last week suggested in this column that Resorts International was selling on a p/e of 9 when actual p/e for the company's stock was 97.

As the only current opera in the new gambling haven Atlantic City, Resorts International seemed every spectator's favourite stock and its common stock which stood \$29 1/2 last month climbed \$89 on Monday (a p/e of 1 before settling back to \$71 1/2). One analyst is projecting earnings this year of up to \$5.50 a share for Resorts which would be nearly six times the company's modest earnings last year.

CLOSING INDEX

Monday	\$12.28	-1
Tuesday	\$12.31	+1
Wednesday	\$12.64	+2
Thursday	\$21.64	+1
Friday	\$18.93	-1

MARKET HIGHLIGHTS OF THE WEEK

The following table lists the changes in the FT 30-share index and its constituents over the first six months of the year. The FT Gold Mines index is also shown.

	Price change y/day	% change Dec 31	1978 High	1978 Low
Ind. Ord. Ind.	460.8	-5.1	497.3	433.4
Allied Brews.	83	-10.8	94	78
BOC Int.	693	-11.5	779	63
Beecham	640	-5.6	678	583
Blue Circle	232	-10.8	272	220
Boots	208	-8.4	231	194
Bowater	185	+1.6	205	163
BP	840	-2.1	892	720
Brown (J.)	394	+69.8	392	231
Cadbury Sch.	51	-9.7	58	48
Courtaulds	113	-	131	109
Distillers	176	-2.2	187	163
Dunlop	75	-15.7	90	71
EMI	137	-24.7	190	130
GEC	246	-2.2	278	233
Glaxo	555	-6.4	610	515

	Price change y/day	% change Dec 31	1978 High	1978 Low
Grand Met.	104	-	117 1/2	87
GKN	252	-6.7	286	248
Hawker Sid.	210	+10.5	228	166
ICI	371	+3.6	396	328
Imperial Gp.	76	+1.3	81	71 1/2
Lon. Brick	67	-2.9	74 1/2	61
Lucas Inds.	303	+10.6	318	240
Marks & Sp.	146	-9.9	160	135
P. & O. Dtd.	90	-22.4	118	89
Plessey	92	-3.2	103	87
Tate & Lyle	174	-9.7	218	166
Tube Inv.	342	-9.5	394	340
Turner & N.	173	-18.8	209	166
UDS	90	-5.3	98	82
Vickers	165	-5.7	199	160
Gold Mines Ind.	158.9	+19.3	168.6	130.3

Target SPECIAL SITUATIONS Fund

FIRST PUBLIC OFFER

INTRODUCTORY DISCOUNT

Target announces a new Fund to invest primarily in stocks considered to be in "Special Situations". The aim of the Fund will be to provide capital growth, with rising income an important but secondary consideration.

What is a "Special Situation"? The term is usually applied by investment managers to a share which they believe is affected temporarily by special factors, of which potential not adequately reflected in the current market price. Examples include:

- \* Recovery situations
- \* Bid situations
- \* Market situations (i.e. where the share price is temporarily depressed by a large sale)
- \* Asset situations (i.e. where the asset value is far in excess of the market capitalisation)

Selection of Situations In addition to the general examples given, Target believes there are likely to be particular opportunities at present of finding special situations amongst:

- \* smaller public companies - with a market capitalisation of £1m to £10m
- \* shares with a dividend not less than twice covered by latest earnings.

"Special Situations" will not necessarily be confined to U.K. investments although the overseas content is unlikely to exceed 20%.

Investment Management Target and its investment managers, Dawney, Day & Co. Ltd are both part of a merchant banking group which participates directly in the management of industrial and commercial companies and has long experience of investment in smaller public companies and other "Special Situation" stocks. The investment managers will also encourage regional stockbrokers to contribute their specialised local knowledge in selecting suitable investments.

Your investment Target recommends that because of the above average risks but greater

potential rewards of special situations, this Fund is suitable for only a part of your capital. The wide spread of investments in the Fund will help to reduce these risks.

Your investment should be regarded as long term.

Income As a result of the reorganisation of the portfolio the yield is anticipated to rise to 7% over the next year to eighteen months, a level which for higher rate and basic rate taxpayers will assist in maintaining a worthwhile investment return. The estimated gross annual yield is currently 4%. Automatic reinvestment of income facilities are available.

Special 1% Discount For investors taking up this offer, there is a special introductory discount offer. £101 for every £100 received will be invested at 20.7p until the close of business on 7th July, 1978. This discount will be borne by the Managers.

You should bear in mind that the price of units and the income from them can go down as well as up.

Monthly Income Payments If you have £2,000 or more to invest, Target can offer a well balanced portfolio of 6 unit trusts yielding an average gross income of approximately 8% p.a. which will provide an income payment every month. For further details, tick the box in the form below.

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Current estimated gross annual yield 4.11%

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Target Trust Managers Limited is a company limited by guarantee. The registered office is at Target House, Gatheouse Road, Aylesbury, Bucks HP19 3EB. The company is authorised to raise up to £100 million by the issue of units. The units are offered at 20.7p each until 7th July 1978. The price of the units may fall or rise after this date. The units are not redeemable for cash at the discretion of the company. The units are not redeemable for cash at the discretion of the company. The units are not redeemable for cash at the discretion of the company.

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Six Dividends a Year

11%

AVERAGE ESTIMATED CURRENT GROSS YIELD AS AT 30th JUNE 1978

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These are the 3 Top Performing Arbuthnot Funds in which your money will be invested - 1/3 in each.

ARBUTHNOT EXTRA INCOME FUND	11.5%	ARBUTHNOT PREFERENCE SHARE FUND	12.3%	ARBUTHNOT HIGH INCOME FUND	9.2%
Formerly the Lorian Income Fund					
One of the highest incomes available from an authorised unit trust.		The current gross yield is very competitive with fixed interest investments.		The track record in both income and capital is excellent.	
Portfolio is well balanced with 58% in equities (high yield and growth prospects) 40% in preference shares (high yield and stability), and 2% in loan stocks (income). Through increased funds invested and capital growth, this fund has increased from £350,000 on 21st March 1977 to currently over £2 1/2 million.		The aim of the fund is to maintain high stable income.		Financial Times, 3rd September	
Share exchange - you can acquire units more advantageously through share exchange scheme. Tick box in coupon for details.		The stability of the portfolio is achieved by a wide spread of investments which inherently bear a reduced risk compared to ordinary shares. The fund's 200 holdings are spread over 90% industrial and commercial; 6% investment trusts; 4% waterboards. Funds now exceed £6 million.		The objective is initial high income and capital growth in the longer term.	
				Over 85% of the portfolio is invested in equities for growth prospects and 15% invested in preference shares to provide stability of income.	
				This Fund now exceeds £10 million.	
				* Estimated Current Gross Yield as at 30th June 1978	

Regular Income to Meet Regular Payments

Invest Now for all these advantages

- \* Triple spread reduces risk
- \* Guaranteed Regular Income
- \* High Initial Income
- \* Potential Growth of Income
- \* Long Term Growth Potential

You can also invest in the individual funds

Should you wish to purchase units in the individual funds please apply to The Managers. The minimum holding in each fund is £250.

Units will be allocated at the price ruling on receipt of your application. Prices ruling at 30th June, 1978 as follows:

- Extra Income Fund 21.14p Yield 11.5%
- Preference Share Fund 27.17p Yield 12.3%
- High Income Fund 49.7p Yield 9.2%

GENERAL INFORMATION

Arbuthnot Securities Ltd, 37 Queen Street, London EC4R 1BY. Telephone: 01-236 5381.

Arbuthnot Securities Ltd is a company limited by guarantee. The registered office is at 37 Queen Street, London EC4R 1BY. The company is authorised to raise up to £100 million by the issue of units. The units are offered at 20.7p each until 7th July 1978. The price of the units may fall or rise after this date. The units are not redeemable for cash at the discretion of the company. The units are not redeemable for cash at the discretion of the company. The units are not redeemable for cash at the discretion of the company.



# FINANCE AND THE FAMILY

## An estate's bank interest

BY OUR LEGAL STAFF

Interest of £183 was earned on the deposit account of a deceased person to date of death, but as it had not been actually credited to his account, it was not included in the computation of the tax position as at date of death. As it was included as an estate asset when applying for probate, it stood a share of capital transfer tax paid. From date of death to closure of the account, a further £288 interest was earned and the Tax Inspector now states that the whole sum is assessable. The effect then is that the £183 is not only liable for income tax, but also for capital transfer tax, whereas if it had been included in the computation as at the date of death, the estate liabilities would have been increased and the capital transfer tax correspondingly reduced. Is there anything which can be done?

The executors must pay basic rate tax on the whole of the interest which arose after the death of the deceased, regardless of the effective charge to the estate. The executor, however, the residuary legatee assuming that the terms of the will are simple) should be asked to add a measure of relief on an additional-rate and higher-rate tax in respect of the income of CIT, by virtue of

section 430 of the Income and Corporation Taxes Act 1970 (as amended). The rules for calculating the relief under section 430 are complex and arbitrary, and so — in the absence of the necessary details — we suggest that you seek the tax inspector's guidance through the maze.

### A power of attorney

Does a power of attorney, as mentioned in your issue of May 6 have to be stamped and if so where (I live in London)? The power should be given under seal and should be stamped 50 pence. This can be done at the Stamp Duty Office at Bush House, Aldwych, London WC2.

### Protection by a sea wall

I understand that where one of a pair of semi-detached houses is demolished, its owner is obliged to provide some alternative protection against the weather for the other. Similarly, if three adjoining owners build a sea wall around their properties, would each owner incur a duty to protect the others, in case a part of

the wall on his property were demolished?

Your initial assumption is incorrect: there is no easement of protection known to the law: *Phipps v. Pears* [1965] 1 QB 76. However the kind of arrangement for joint participation in building a sea wall which you envisage could, in certain circumstances, give rise to an equity which would entitle the owners of the protected plots to restrain by injunction an owner who seeks to demolish part of the wall, even though that part is in his sole ownership.

### A figure for damages

A road accident resulted in serious injury to two people, involving loss of earnings, and some permanent damage to them. How can one check that the general damages offered by an insurance company are as good as can be obtained?

Ultimately the only test is to seek an award of damages in court. However figures of damages which have been awarded may be ascertained from reported cases, and there is a standard work, *Kemp on Damages*, which gives a guide. Without very full details of the nature of the injury and of the

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

loss of earnings involved we could not properly advise on a figure in any given instance. You might inquire of your solicitor how the sum or sums offered compare with figures in recent awards.

### Licence for a clothes line

I have a right of way covering the driveway at the side of my house shared with my neighbour. He has now erected a clothes line which crosses the driveway at an angle. I understand that the right to use a clothes line constitutes an easement. Should I take steps to convert this usage into a licence, or does it merely constitute a use of the right of way?

The right to dry clothes over another's land may constitute an easement. It certainly does not fall within a right of way. If therefore the clothes line to which you refer is wholly or partly over your land (and not merely over the land over which you have a right of way) you should require the owner of it to obtain your licence.

### Collecting ground rents

Did I not read in your column recently about release of one party from obligation to collect ground rent in a multi party ground lease and that notification should be given on an appropriate form? If so could you tell me where I could get such a form?

Our reply to which your letter was not directed to the release of obligation of one out of several parties to a ground rent, but to the position of a mesne tenant who was collecting several rents and paying them on to his lessor. If a form of release of one out of a number of joint parties paying or receiving ground rent is required you should have a solicitor draft the necessary document. Forms of apportionment of rents are to be found in the *Encyclopedia of Forms and Precedents*, 4th Edition.

## Small print and car sharing

THOSE WHO read the daily while the diminution of public transport services has, of course, played its part. In 1973 at the time of the petrol shortage, motor insurers gave the Government an undertaking that payments made by passengers merely as a contribution towards the cost of petrol used in a journey would not constitute use for hire, and would not therefore infringe the conditions of normal car policies.

This undertaking was positively reviewed by insurers in 1975, and remains currently in operation, though insurers have not endorsed policies or altered the wordings of their statutory certificates.

Have a look at your own motor insurance certificates and you will see a lot of printed exclusions, which may include all or any of the following—use for hire or reward, use for hire or reward, use for hire, use for hire and reward other than private hire. Most of these phrases have been in use since 1930, and many have been subjected to judicial scrutiny, although the precise exclusions that your certificate bears depend on individual insurers' choice of words and the scope of the cover you have paid for.

Sufficient to say that if you pay the price of petrol which has made your car-sharing so commonplace, you are available for letting during the remainder of the year even if not so last year. The limit of borrowings upon which interest relief can be claimed is £25,000. The limit in the previous paragraph with three interest paid can only be deducted from rents received. If interest exceeds rents, the excess must be carried forward against succeeding years' rents.

Relief is normally given if the various conditions are met at the time the interest is paid. Some common sense has found its way into the law to help taxpayers who might otherwise have been caught by the vagaries of this provision. In the first year after a loan is originally granted, relief will be given for any interest paid provided that the property becomes the taxpayer's only or main residence within that year. The Revenue are given discretion to extend the period. Thereafter, by extra-statutory concession, periods of absence from the property up to a year can be ignored. Periods of up to four years away will also not disqualify the taxpayer from his interest deductions if the absence is a requirement of his employment. Absence in the UK counts as well as absence abroad.

If the taxpayer moves house, yet another concession is made. He can borrow for the new house without previously having repaid the loan on his old house. Interest on the new loan paid within a year of its being granted will be eligible for relief in addition to the relief which also continues to be granted on the old loan. Not only that, but the amount of the old loan can be disregarded in determining whether the concession is let for more than 25,000 weeks out of the year, and

certificate will have hire and reward exclusions, which in practice only to a limited extent have been modified by what insurers now refer to as the "petrol undertaking".

I have long thought it illogical that the undertaking should start and finish with petrol, because there are so many other expenses incurred in running a car: the need to replace tyres and battery, the need to have regular service, the need to put money aside for inevitable mechanical repairs, and future ultimate complete replacement, the need to buy insurance, and so on.

Putting all these overheads at cost per mile it is clear that petrol, at around 21p per mile (assuming 30 miles per gallon) is a relatively small part of running costs; arguably it is unrealistic to restrict the motorist's right to contribution solely to the price of petrol.

According to Lady Stedman, insurers are now ready to give the private motorist much more than the words of their statutory certificates. She read to the House of Lords an undertaking drafted by insurers, in the following words:

"The receipt of contributions as part of a car sharing arrangement for social or other similar purposes in respect of the carriage of passengers on a journey in a vehicle insured under a private car policy will not be regarded as constituting the carriage of passengers for hire or reward (or the use of the vehicle for hiring) provided that:

(a) the vehicle is not constructed or adapted to carry more than seven passengers;

(b) the passengers are not being carried in the course of a business of carrying passengers;

(c) the total contributions received for the journey concerned do not involve an element of profit."

Note particularly in proviso (b) and (c) the words business and profit. Though this undertaking has been described as a draft it is unlikely that the words will now be significantly altered. What will happen when the Bill becomes law is that insurers will give immediate publicity to the undertaking, and subsequently will provide each motorist policyholder as his renewal comes round or when he buys new cover, with some personal documentation of this undertaking. From the Parliamentary statement it does seem that insurers will not be changing certificate wordings, so that the present exclusions of hiring and so on will remain unaltered—it is the interpretation of the words that will be affected.

Again quoting Lady Stedman, insurers have appended a note to the draft undertaking to the effect that if any policyholder has any doubt as to whether any car-sharing arrangement is or is not covered by the terms of the undertaking, he should consult his motor insurer and tell them all the facts—and I would add, presumably, be prepared to pay extra premium if his insurers find that the arrangement goes beyond provisos (b) and (c) of the undertaking.

## The revenue takes an interest

TAX RELIEF for mortgage interest is one of the simpler parts of the tax legislation. Any man in any Clapham omnibus will tell you that he understands what benefits the law provides. Let us see how much he really knows.

The purpose for which the money was borrowed is the first key. One thinks automatically of the phrase "purchase or improvement of land or buildings" which are to be the only or main residence of the borrower. That certainly is one approved purpose, but there are others equally acceptable. We do not have to reside in buildings—or even on land. Large caravans and houseboats qualify.

More significantly, it is not necessarily the borrower who must fulfil the residence qualifications. His mother or mother-in-law provided she is widowed or separated or if she qualifies below as a dependant can live in a house for which he has borrowed money.

Alternatively some dependant relative can be so accommodated: but it would be a brave man who let on that his humanitarian proclivities could be let rip only because his mother-in-law (or any other relative) was "incapacitated by old age or infirmity from maintaining herself".

Tax deductible interest can therefore be paid on the borrower's own house, and on second one for the relative. But he need not stop there, he can have a third tax deductible house for his former wife, whether he has divorced her or merely separated in such circumstances that the separation is likely to prove permanent.

There are a number of tricky problems related to the taxpayer's ability to demonstrate the facts to the Inland Revenue. One, which accountants and lawyers originally viewed with foreboding, is the requirement that a loan be used specifically for the purchase or improvement, and that it be not used for anything else before that. In practice, in those few cases in which the funds come in before completion, and lie for a few days in a deposit account, the Revenue seem to take a very relaxed view.

Just what money has been spent on improvements can be a difficult question—especially because improvements are defined to include the making good of dilapidations which had occurred before the property was bought. Once again the practical solution adopted by the Revenue seems to be one of relying to a considerable extent on the commercial judgment of the lender—assuming that he will not be lending indiscriminately.

All this is familiar ground to the Clapham omnibus passenger. But he may have overlooked a couple of miscellaneous points. His mortgage dates from before March 26, 1974, the £25,000 limit does not begin to bite until April 6, 1980. Until then he still has the protection of the 1974 transitional provisions. Finally, on an optimistic note, if his wife leaves him and claims half of the value of the matrimonial home so that he has to borrow to pay her off, this borrowing is regarded as taking for the "purchase" of the house concerned, and he can take solitary comfort from his interest relief.

### TAXATION

DAVID WAINMAN

## Pennies from heaven?

IS all very well for the adams Roof Orchestra to find us that when it rains, it rains pennies from heaven. The crowds at this week's very Wimbledon and soggy play can hardly have been convinced that the thing to do is to turn their umbrellas up down. That only happens in a clearing in the clouds is

is too early to say whether clouds over base metal acts are at last clearing. Though there are signs that worst may have been seen, umbrellas still in vogue as far as the mining world is concerned, the best one is of gold with diamond and

ing legal constraints" and a unified wage scale has been introduced. But the policy can't make much progress while the readily available supply of black workers can only be channelled into the low-paid jobs.

Ergo, which recovers gold, uranium and sulphuric acid from old mine waste dumps, needs no expensive mining operation of its own. Thus it can break-even at a gold price of only \$30 per oz. Last year Ergo forecast that at a price range of \$120 to \$150 it would pay a first dividend of 25 cents for the current year to next March and double the rate to 50 cents in the following 12 months.

Teething troubles have delayed the attainment of full production by a few months, but this should be achieved before the end of this year. In view of the subsequent advance in the gold price, it seems that the delay will not upset the dividend expectations. It is also encouraging to note

Cullinan which weighed 3,108 carats (nearly 22 ounces) in the rough state. Other famous gems produced include the Niarchos, the Transvaal Blue and the Taylor-Burton.

Ironically, Premier has not paid a dividend on its deferred shares for over 50 years and even the preference payments are some 20 years in arrears. It is only because a favourable tax deal has been arranged that the new mining operation can go ahead. The existing mine treated 7,071 tonnes of kimberlite, grading 28.42 carats per 100 tonnes, last year and it has about 40m tonnes left.

Below the gabbrro sill in the new area there is one section—the L1—which holds 14m tonnes at a much higher grade of 72 carats per 100 tonnes. Production of this material will start next year and by 1987 a further 100m tonnes of undisclosed grade should be ready for mining. The total area below the sill should keep Premier going until at least the end of the century.

Gutua. It holds an estimated 250m to 300m tonnes of ore grading 0.85 per cent copper, 0.012 per cent molybdenum and 0.55 grammes gold per tonne.

The copper grade is low, but still better than that at the Rio Tinto-Zinc group's very successful Bougainville open-pit copper-gold mine in PNG which is among the few major copper producers to be still making money. On the other hand, working conditions at Ok Tedi would be more difficult than those at Bougainville in view of an even heavier rainfall of some 400 inches a year.

Latest studies of Ok Tedi have indicated a gold enriched ore covering the primary orebody. This is reckoned to contain 30m tonnes of material grading 3 to 3.5 grammes gold per tonne which, it is thought, would justify a gold mining operation in its own right. At least, it would provide a good sweetener to the overall project. The find will have increased the chances of a mining operation being launched; they were looking pretty slim previously. But such is the huge capital cost of a mine these days, especially at Ok Tedi, that the angels are treading very carefully indeed. BEP has to submit its proposals to the PNG Government by May next year, but it is possible that any go-ahead decision will be delayed until the early 1980s.

### In the wet

Australia's Broken Hill Proprietary and its partners, America's Amoco Minerals and the German Kupferexploration group, remain fascinated by the potential of the big Ok Tedi but it is possible that any go-ahead decision will be delayed until the early 1980s.

### MINING

KENNETH MARSTON

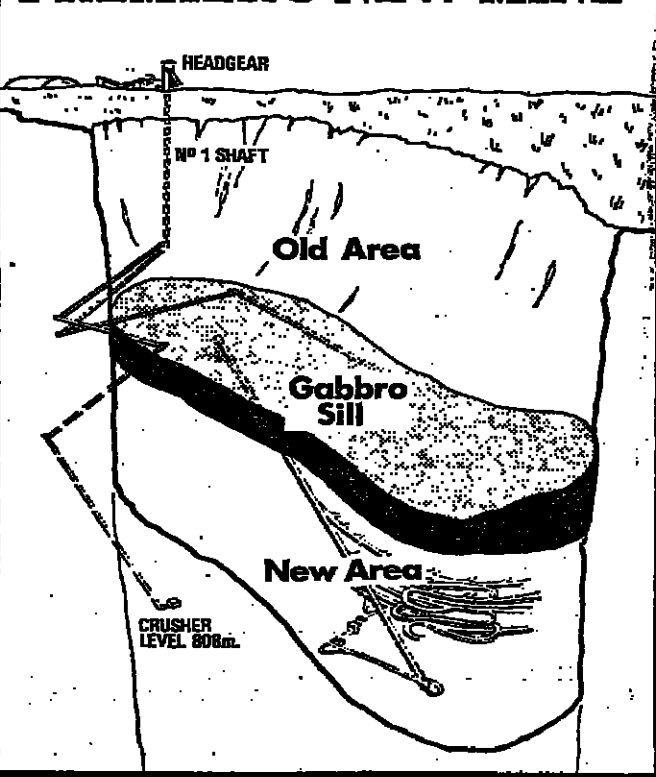
that the escalation in the mine's estimated R140m capital cost has been confined to a relatively modest R5m.

On the diamond front this week shares of De Beers have been calmer after the recent upsurge which was prompted by U.S. and other buying on hopes of a big increase in the Central Selling Organisation's half-year diamond sales figure—due in the next week or so—and a subsequent bumper set of half-year profits to be announced by De Beers in August.

What remains to be seen is whether the respective increases will match market expectations; in such situations caution usually pays. Meanwhile, De Beers has announced that it has now completed negotiations with the South African Government for the downward extension of its Premier mine below the gabbrro sill. Last year Premier produced 2.01m carats of diamonds compared with De Beers' total output of 11.81m carats.

The accompanying illustration shows that this amounts to the opening up of a new mine under the existing operation which has been going since 1903. Although a major producer of industrial diamonds, Premier is famous for yielding the biggest diamond of all time, the fabulous

### PREMIER'S NEW MINE



## Policies for women

A LIFE insurance contract—either traditional with-profits or unit-linked—provides a tax efficient means of making regular savings and financial protection against early death. But it has always been accepted that it is the husband who makes the savings and who needs life cover. Consequently, life policies have been designed for men.

This situation is now changing. The growing independence of women is producing a new market for life insurance, but the industry in general has not considered it necessary to make out a new contract. But the business, now a notable exception has emerged.

In 1974, Langham Life launched the Women's Individual Savings Plan (known as WISP), designed by Mrs. Dorothy Genn, one of the company's directors. It claimed that this was the first life policy designed solely for women, and no one has refuted that claim. What do women want from a life policy, apart from that which is normally offered to men, and how does WISP meet these requirements?

Basically, it is simply that women first need flexibility, so that their policies will meet their requirements should they

remain single, or can be changed to meet differing requirements should they marry. Secondly, they need to retain control of their contracts, so that if the marriage breaks up then they still have access to the policy and its accrued benefits.

WISP, first of all, provides single women with permanent life assurance cover, savings, a pension option at 60 and opportunities for loans and assistance from Langham Life—in fact the features of many life contracts. This covers a single woman's needs right up to retirement. If she marries, the woman can transfer the basic life assurance cover to that of her husband.

This reflects the fact that, even now, the husband bears the financial burden in a family. Under the WISP policy, the premium remains unchanged providing the husband is under 40 and not more than 10 years older than his wife—thus providing him with cover cheaper than he would get if he took out a new contract. But the savings portion remains under the control of the woman, even if the husband takes over the responsibility for paying the premiums. This provides her with a useful nest-egg.

Should the marriage break-up, then life cover reverts to the woman and her savings remain intact. Liberty Life, a company which has recently laid great emphasis on the value of the housewife, has now launched its Women's Key Plan, a contract similar to that of Langham Life. But it states that it is also available for men—though without explaining how the pregnancy clause applies.

## Women's rights

IT SEEMS to have been a week for the protagonists of women's rights. On Thursday it became apparent that the government was to vote the women's vote, by bowing to the pressure for fairer treatment of women by the Inland Revenue; in particular, the degrading assumption hitherto forced by law upon the Inland Revenue, that a working wife is no more than a financial

appendage to her husband, is to be abandoned. If the changes announced for the finance Bill become law, working wives will be entitled to tax rebates in their own right, and other changes, affecting the personal allowances, are to be introduced in pursuit of more equal treatment between the sexes. But it isn't only the Inland Revenue who are to bow for the pressure for equality.

## Credit vetting

IN FACT the pressure for women's rights is now being carried right into that haven of the middle-class matron: the department store. Debenhams, which announced during the week that it was to co-operate with the Equal Opportunities Commission in a study designed to throw discrimination against women in the provision of credit into sharp relief, obviously has no interest in alienating these most important customers: in fact, the stores group reckons that 80 per cent of its customers are female. It admits, however, to having been guilty, in the past, of quite unwelcome "indirect discrimination" in requiring of applicants for credit that they should, for example, have held their present position for at least two years. Few married women of

child-bearing age could claim such consistency of employment. Yet the question arises, in relation both to this and to that other common question of forms of application for credit, whether or not the applicant is a housewife or principal tenant, if these are to be put in their place? The Equal Opportunities Commission claims that terms applying with equal force to both sexes would meet its own criteria, but it's hard to think of an equally straightforward checks on an applicant's suitability for credit. Yet it would be a sad result of the Equal Opportunities Commission's intervention, if the bad debt ratio were to rise, and prices in its wake, to the equal detriment of all consumers.



## Return to haunts of mammon

ST. PAUL says that the love of money is the root of all evil. But the Ecclesiastical Insurance Office has found that it cannot do without it. Money is the raw material of insurance operations, as much for a small religious foundation as for the mighty secular organisations. In common with such secular bodies, the EIO has found it expedient to return to the haunts of mammon by raising additional capital.

The history of the Ecclesiastical Insurance Office makes fascinating reading. Over 90 years ago, a group of Anglican churchmen founded the company to conserve, for church purposes, the profits arising from the insurance of church property. And the company is now acknowledged as the leading insurer in this field, for both the Church of England and (indirectly, through reinsurance) much of the Free Church. Its primary objective

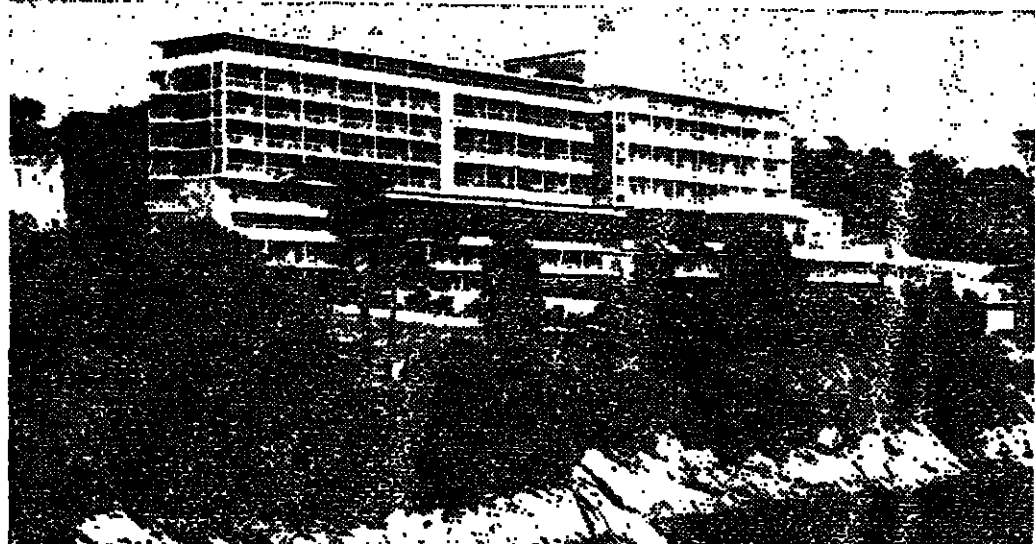
## CHURCHES

ERIC SHORT

address to the insurance of private schools, universities and charitable organisations. This is, however, not the end of the story. The company has further ambitions to expand outside the orbit of the church, and into the domestic and small businesses area, thereby challenging the major companies. In particular, it is actively canvassing the hotel

insurance sector. But expansion plans need money. And though the solvency margin (the ratio of shareholders' funds to the risks taken on) is a healthy 58 per cent (minimum EEC requirement is about 25 per cent), the company's directors decided to raise capital through the market, besides relying on internally generated funds. But there was one problem. The equity of EIO originally held by individual clergymen, is now vested in All Churches Trust, and is to remain so. So the capital has been raised by means of an issue of redeemable preference shares, which are acceptable to the Department of Trade but carry no votes.

With the change of ownership from individual holders to a charity, the company's Stock Exchange quotation lapsed in 1965. Now Ecclesiastical Insurance Office appears again in the Official List.



## Weathering a holiday disaster

ANYONE taking a holiday hopes to make a clean break from the harassments of everyday life—even if financial circumstances force him (or her) to stay in the UK and make the best of the weather. Being on holiday does not, however, make anyone immune from the tragedies of everyday life.

Anyone first setting eyes upon his hotel, especially if it is set like that above, in picturesque surroundings, will have matters other than fire or theft on his mind. In fact the fire records of the major hotels are good. The Fire Precautions Act, 1971, ensures that hotels comply with stringent minimum fire regulations, as approved by the local fire authorities.

But while this Act minimises the risk of fire, it does not ensure that a fire will not happen. And hotels are not

immune to the growing incidence of theft throughout the UK. A theft or a fire can ruin a holiday, but there is no need for the holidaymaker to be out of pocket as well.

Any hotel registered under the Hotels Proprietor's Act has a statutory obligation to reimburse guests for loss or damage to their effects, up to a maximum of £100, or more if the items are stored in the safe deposit and the loss is caused by negligence or by a deliberate act by employees.

But the primary aim of hotel insurance is to cover losses to the hotel owners. For example, the buildings and hotel contents will probably be covered against fire and theft, consequential loss, and public liability. If you yourself just get out of the hotel in your pyjamas before fire engulfs your holiday hotel.

## INVESTMENT

ADRIENNE GLEESON

MUCH SOUL searching preceded the decision by the Association of Investment Trust Managers that they should publish performance figures for their members: and you might be forgiven for thinking, even now, that the companies concerned would really very much rather you didn't pay too much attention to the fruits of their labours. Not for them the pride in ranking which characterises their brethren in the unit trust business: not for them the month-on-month brouhaha of the fortunes of the markets into which they have put their money wax or wane. Ask an investment trust manager how you should choose between one share and another, and he is all too likely to point, not to the record of achievement but—*anathema* to existing shareholders—to the relative size of the discount.

Such a bargain basement attitude does less than justice

to the real quality of many of the companies in this sector. It assumes that the worth of a company lies purely in the assets that it holds, and that no value is to be attached to the skill with which those assets are utilised.

As the performance figures put out by the Association indicate, this is not the case. The companies claim that their performance ought to be measured over the longer-term—and indeed, this is fair enough: their ability to back what might appear to be somewhat obscure companies against the fads and fancies of the moment is one of the greatest strengths of the fund managers in this sector. It's a strength which they are just beginning to appreciate as well: witness Electra, confirming in its annual report this week that the policy of buying into small quoted and unquoted special situations in the hope of faster longer term growth is to be maintained.

Over the longer-term—over five years on a rolling average basis—certain companies have well and truly outperformed the sector average. However, this is not going to be all that much

of a comfort to shareholders if the recent performance of their shares has been dreadful—it might be no more than a momentary hiccup in a steady progression, but it might, in the alternative, indicate that the management is losing its touch. So in selecting the top ten of the accompanying table—from the Association's statistics—I have qualified the initial search for companies with a strong five-year performance with a requirement that the one-year performance should also be exceptional.

The results are interesting.

Obviously, for the relatively high proportion of Far Eastern funds, reflecting the strength of the Japanese market. But they also tend to confirm that shrewd and successful management of assets pays off for shareholders too.

The figures quoted, for total return, take in the performance of the share price assuming reinvestment of the net dividends. For five of the 10 companies listed, asset performance over the five year period has been quite exceptional too: and doubtless the shareholders some cause for congratulation.

## INVESTMENT TRUSTS: THE TOP TEN

Share	Price*	Yield %	Total assets £m	Over 5 years	Over 1 year
London Prudential	74	5.8	6.4	174.6	132.6
Atlas Electric & General	57	5.0	107.1	166.5	126.9
Moorgate	83	5.6	5.2	165.9	138.5
Broadstone	145	5.4	32.0	163.2	124.8
Globe	107.5	7.0	270.7	161.3	132.4
Crescent Japan	117	—	18.6	159.6	131.7
City of London Brewery	56	6.4	40.14	157.1	130.3
Scottish Ontario	136.5	4.6	20.2	152.9	124.3
Safeguard Industrial	70.5	7.8	10.9	151.7	131.4
Drayton Far Eastern	41	3.3	6.3	143.6	145.5
General trust averages**				131.7	122.6

\* Wednesday's prices † Base = 100 over each period \*\* Size weighted

## Banks do battle for students

About 130,000 people go to university, college or some other institution of higher education every year, and most arrive armed with quite substantial grants.

All the main high street banks offer students free facilities, provided that they keep their accounts in credit. This means that cheques, standing orders and direct debits are cleared free of charge. Obviously the most popular form of transaction is by cheque, so the student who recklessly writes out two cash cheques a week on his account at NatWest is avoiding payment of more than £15 a year. This anyone under 18 from holding a minimum balance is nil.

Overdrafts are usually left to the discretion of the individual branch manager, but most banks consider: facilities up to £50 for

One important factor for students choosing a bank to consider is how close the nearest branch is situated to their college or university. The TSB, for example, has no branches on campus, and this is one area where the bigger banks have a distinct advantage. Barclays claims to have more than 600 branches either on or near a student campus. NatWest has 200, and all four big clearers are represented on site at Kent, Warwick, East Anglia and Bath.

Many of the banks have specific loan schemes for students after they graduate, and the TSB is actually offering a further year of free banking after they leave—provided the

## STUDENTS

TIMOTHY DICKSON

## Invest in Property with Hambro Life



The Harpur Centre, Bedford—6 stores, 24 shops, offices and a covered car park—one of the 50 properties owned by the Hambro Property Fund.

Few other investments can match the kind of steady growth shown by business property over the last 25 years. And most economic experts believe that this growth is likely to continue into the future.

For this reason Hambro Life believe that every investor should put part of his capital into first class business property. And we believe that the Hambro Property Fund offers an excellent means of doing this.

The £120 million Hambro Property Fund owns more than 85 properties for the benefit of its 75,000 investors. The properties range from multi-million pound shopping precincts and office blocks to more modest shop and warehouse units. And every property has been chosen because of the growth prospects the Managers believe it offers.

You can judge the skill of the Hambro fund managers in choosing and managing property from the fact

that over the 7 years since the launch of the Hambro Property Fund the offer price of units has risen by 70%. And the Fund has outperformed an index of the top ten property funds by 13.7% since the index began at the end of 1972.

You should remember that the price of property units can go down as well as up, but Hambro Life believe that an investment in property will prove a highly rewarding one, particularly over the longer term.

Investing in property with Hambro Life couldn't be simpler. Just send your cheque with the application form below. To benefit from the current offered price of 170.8p your Property Bond application should reach us not later than first post on Thursday, 6 July. Thereafter units will be issued at the price ruling on receipt of your completed application form.

## THIS YEAR, AMERICA. NEXT YEAR?

Even after the recent rise in U.S. share prices, webelieve that the American market still offers good value to the investor who's prepared to look ahead.

At present, 65% of the portfolio of our International Unit Trust is invested in North America. But the conditions that lead us to think American shares a good buy just now will not last for ever. And when things do change, investors in exclusively American funds could be at a disadvantage.

That's why it could make sound sense to channel your investment in America through our International Unit Trust, which aims for capital growth from a diversified worldwide portfolio.

**A Changing Portfolio**  
A year ago about 40% of this fund was invested in North America and 40% in the Far East. Today the split is 65% North America, 20% Far East and 9% Europe and the U.K.

As the fund grows, we shall continue to vary the proportions to match changing market opportunities. The investment managers, Drayton Montagu Portfolio Management Limited, believe that prospects for further growth are good, particularly in North America, but unitholders should regard their investment as a long-term one.

Since the launch of this trust in December 1969, the offer price of Distribution Units has increased by 106% (as at 29th June 1978) compared with a rise of only 43% in the F.T. Actuaries All-Share Index over the same period.

At the offer price of 51.7p xid on 29th June 1978, the estimated gross yield was 22.2% p.a.

The price of units and the income from them can go down as well as up.

To buy units simply fill in the coupon and return it to us, or hand it in at any branch of Midland Bank, Clydesdale Bank or Northern Bank.

**Distribution Units**  
If you choose these, you receive income but not capital growth. Income is paid quarterly on 15th January and 15th July. The first dividend is paid on 15th January 1979. Units are sold at a discount to the offer price of 51.7p xid. Tax Vouchers are issued to all unitholders.

**Reinvesting**  
A coupon for units will be issued on receipt of the application form and you will receive a unit certificate within 48 hours of paying for your units. Units can be bought at any time at the prevailing offer price. Dividends are paid quarterly on 15th January, 15th July, 15th October and 15th February. This offer is not open to residents of the Republic of Ireland.

**Prices and Yields are published**  
in the Financial Times. The offer price of units is 51.7p xid. The estimated gross yield is 22.2% p.a. The price of units and the income from them can go down as well as up.

**Charges**  
An initial service charge of 0.5% is levied on the offer price of units. An annual management charge of 0.5% is levied on the value of the fund. The fund is managed by Drayton Montagu Portfolio Management Limited, a subsidiary of Hambro Life Assurance Limited. The fund is not open to residents of the Republic of Ireland.

## Application Form

To: Midland Bank Group Unit Trust Managers Limited, Courtwood House, Silver Street Head, Sheffield, S1 3RD. Tel. 0745-7384. Reg. Office 27122 Poultry, London EC2P 2BX. Reg. No. 95385, England.

I/We enclose a cheque payable to you for: £ (minimum £200)

For investment in Distribution Units ☐ Accumulation Units ☐ (tick which)

of Midland Drayton International Unit Trust at the price ruling on the day you receive this order.

(For your guidance, the offer prices on Thursday, 29th June, 1978 were:

Distribution Units 51.7p xid, Accumulation Units 55.1p.)

Surname (Mr., Mrs., Miss)

Forenames in full

Address

Postcode Date

Signature

(In the case of joint applicants, all must sign)

Please send me details of your Share Exchange Scheme ☐ Savings Plan ☐ (tick if it applies)

I/We declare that I/we are not resident outside the United Kingdom and that I/we are not acquiring the units as the beneficial owner of any overseas resident outside the United Kingdom. If we are, we will, if the offer is made, be deemed to be resident in the United Kingdom.

Signature

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**Midland Drayton International Unit Trust**  
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I wish to invest (minimum £1,000) in a Hambro Property Bond and enclose a cheque for this amount payable to Hambro Bank Limited

Surname: Mr./Mrs./Miss (BLOCK CAPITALS PLEASE)  
Full first names

Address

Occupation Date of birth

Are you now, and have you always been, in good health?

If not, please give or attach details.

Do you already hold any Hambro Life policy?

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Registered office 51 Bishopsgate, London EC2P 3AA

FT 1/7







## MOTORING



The Daihatsu 4x4 hardtop—a good choice for the amateur cross-country driver

## Foreign work horses

BY STUART MARSHALL

BUYING A Land-Rover "off the shelf" is difficult. With a Range Rover, it's impossible, unless you ring a London number, ask for someone with a name like Jeremy or Julian and be prepared to pay through the nose for instant delivery of a used one with "works mileage only."

The Daihatsu from Japan is about the same size as the first slab-sided Land-Rovers of 30 years ago. The hardtop I drove a few weeks ago had a pair of comfortable seats with built-in headrests and four more tiny tip-up perches in the back. The roof had a padded lining, the windows wound up and down and free-wheeling front hubs, which save fuel and reduce noise on hard roads, were fitted as standard, all for £3,940, which is about £300 less than the price of a comparably equipped Land-Rover.

Although only a 1.6 litre, the engine is a real slugger at low revolutions. It pulls hard from 20 mph in top on the road and returns up to 24 mpg.

At 65 mph the Daihatsu is as noisy and hard riding as one would expect of a cart-sprung on-off road vehicle and the steering is sloppy. But the controls are light and it is easy to park, with a 33 ft turning circle.

When I took the Daihatsu over terrain better suited to tanks than wheeled vehicles, it made light work of almost knee-deep mud and water but surprised me by failing to climb a 1-in-3 gully with a leaf mould surface. Then I remembered I had not locked the free-wheeling front hubs and had been wading around in the morass in two-wheel drive. With power going to all four wheels, it was unstoppable.

Whether the Daihatsu would stand up to sustained wear and tear as well as a Land-Rover, only time can tell, but its all-steel body would be unlikely to grow old as gracefully as the Rover's non-rusting aluminium one. As an off-road runabout with the traction to haul a horsebox out of a muddy field if needs be, it is quite an attractive proposition for the amateur rather than professional cross-country driver.

The same importer is bringing in American Jeeps, including the Cherokee Chief. This jumbo-sized vehicle makes even a Range Rover look fairly small. As it costs about £9,750 and does 14-15 mpg at best on the road, dropping to single figures

in the rough, it is strictly for the well-heeled.

With a V8 motor of getting on for twice the size of the Range Rover's, the Cherokee Chief is an effortless performer on the road and its automatic transmission with permanent four-wheel drive is extraordinarily quiet. But its woolly steering and soft, under-damped suspension were not at all to my taste. Its handling was like that of the offspring of an American sedan crossed with a five-ton Bedford, and its sheer size sometimes embarrassed in narrow country lanes.

I would not really regard it as a Range Rover substitute but for heavy towing it has no rivals. Appropriately equipped for an extra £485, it will pull no less than 34 tons, though what its fuel consumption would be hardly bears thinking about. The interior is well wall carpeted. Muddy wellies will not be worn.

The Subaru four-wheel-drive station wagon looks as ordinary as a Marina estate, though the extra clearance under the wheel arches and the knobby tyres give a clue to its dual personality. In essence it is a front-wheel drive car with a flat-four cylinder 1.6 litre engine. An auxiliary gearbox powers the back wheels, too, when required. All you do is flick a tiny lever at any speed up to 50 mph.

The gear ratios are unchanged but taking the Subaru over the same course as I had tried the Daihatsu on caused no problems. It romped up the 1-in-3 gully and did everything the Daihatsu had done though in far greater comfort.

On the road, it felt as strong as a Saab. It will run up to 85 mph and give close to 30 mpg. The rack and pinion steering is sharply accurate and standard equipment includes a radio.

The only thing that stops the £3,990 Subaru being a poor man's Range Rover is its lack of both litters and a set of low-range gears. Asking it to pull a two-horse trailer would be unkind. But as a civilised road-going estate car with the ability to tackle off-road conditions a normal car wouldn't look at it, it is in a price class of its own.

## A little fellow's magic

CHICAGO, June 30.

IN ATTEMPTING to compile a half-term report on the golfing class of 1978, Gary Player has no rivals at the head of the list. The most remarkable aspect of his brilliant season to date is that the little South African knew that at the age of 42 he had to produce a super-human effort if he was not to slide into oblivion. Although his manager, Mark McCormack, would probably argue vehemently, about the only contracts Gary could have relied upon for the future were those that were somehow connected with prolonging active life. Player has finally made the point that he has been hammering home for half a lifetime, namely that there is no substitute for total physical fitness even in what is regarded largely as a mental game.

In the airport lounge at Toronto last Sunday evening, when Player cut an unusual figure in leather jerkin and wide-brimmed hat of the same material, he frankly admitted that to play 16 consecutive tournaments on this continent had been a mistake. Player was relieved to be going home to rest before the Open Championship at St. Andrews that he was as light-headed as a heavy drinker before the inevitable let-down, and as we all know, Gary doesn't indulge in that area.

He was finally prepared freely to admit that while he had felt perfectly ready physically to win a second U.S. Open he craved so badly, he had found himself totally exhausted when it mattered in the final round. Not even Player could carry

himself through that crisis by self-hypnosis. But those who saw him on the television screen as he hit his second shot to the 13th green at Augusta in that wonderful final round of 64 in the Masters will know exactly what a marvellous job Gary has done to convince himself of his new found balance that has, he believes, rid him of the damaging hook that plagued him for years. Not even Ben Hogan triumphed so completely over physical disadvantages with such consummate willpower.

Of all my treasured memories of Player in this department, an incident at last year's World Series of Golf comes repeatedly to mind. Player was like a child with a new toy because he had found a No. 6 wood in Firestone Country Club professional Bobby Nichols's shop, and was demonstrating most convincingly to a commentating colleague and myself how a little fellow like him could use it more effectively than an iron club to extricate the ball from the tangle of the rough that

abounded there. Fixing us with those huge brown eyes and nodding his head and forefinger, as is his wont, Player said in all seriousness: "Think what one hell of a golfer I could have been if I had discovered this weapon 20 years ago!"

If 1978 has been Player's finest year, it has been scarcely less magical for both Lee Trevino and Jerry Heard. Both men were struck by lightning in Chicago during the 1975 Western Open at Butler National Golf Club. Trevino underwent back surgery in November 1976 for the fusion of spinal discs. Heard has painfully endured this trouble that has been similarly slunk ever since to that thunderous incident, which weather forecasters say could occur again during the same tournament here this week-end.

But while Heard's earnings plummeted to \$5,955 in 1977 giving him 173rd place in the earnings table, Trevino at least

won the Canadian Open to compensate for a slide down that list from fourth place in 1974 to 33rd last year. This season Trevino has again been a force to be reckoned with practically every time he has teed up the ball, and with a win in the

## GOLF

BEN WRIGHT

Colonial and many more near misses, including four second-place finishes, is in sight of his all time best year.

He will carry my money at St. Andrews, where he collapsed so dramatically in the final round of the 1970 Open Championship. But Heard's come-back to win the Atlanta Classic in May was, if anything, more moving, in that this easy-going Californian had really plumbed the depths

both physically and mentally in his personal life.

The continued brilliance of Player and Tom Watson, the emergence of a new superstar in Andy Bean, and the ever-rising standard of play here have almost caused Jack Nicklaus to be overlooked since his fabulous finishes in February to win the Jackie Gleason Classic and lose to his life-long rival Tom Weiskopf two weeks later at Doral.

But Nicklaus is acutely conscious of the idle chatter that gathers decibels daily that as a major championship contender he is a back number. Nicklaus has not won one of the four major titles since the 1975 USPGA Championship. Three years after Arnold Palmer won his last major, the 1964 Masters, the great man won four tour tournaments, and anyone who predicted then that he would never again win any of the big four would have been branded

as a lunatic. So it is more than slightly ludicrous prematurely to write off a man who has won exactly twice as many major titles than did Palmer. Yet there are those who would bet on Nicklaus's decline—and I have to admit to having been one of the heretics.

On the home front there can be nothing but optimism that in Howard Clark, Nick Faldo and the physically unlikely Ken Brown we have the nucleus of a worthy task force to turn back the Spanish armada and the new breed of upstart Austrians. But to talk of a British victory in our Open as even a possibility is wickedly unfair in pressuring the youngsters on whom the hopes for the future rest. In the amateur game twice champion Peter McEvoy stands head and shoulders above the rest, and one can only hope he will see fit to try his luck here in the U.S. amateur championship in August.

## Guide, diplomat and PR

THE MAIN talking point while the rain fell heavily at Leeds has not been so much about when and how England would beat Pakistan but on the future of the England captaincy. There has never been any doubt that Mike Brearley is an intelligent, shrewd and diplomatic skipper, who since taking over from Tony Greig has never lost a Test.

His one basic weakness is that although a determined and accomplished opening batsman, at the highest level, is short on class, as illustrated by a career average in the high 30s, after 17 Tests he has still to make a century and is only

averaging 26.

The view of the average Yorkshire supporter at Headingley is that this presents no problems because "our Geoffrey" is ready and willing to take over a role he should have had long since.

I have no doubt that if Geoff could have led England against Pakistan this summer instead of Brearley, the outcome would have been the same, and am

## CRICKET

TREVOR BAILEY

inclined to think he is probably better suited to captain England than Yorkshire. However, whether the selectors would consider him for the job in Australia if Brearley continues to fail with the bat, is an entirely different matter. For one thing many knowledgeable Yorkshiremen are having doubts about Boycott, to both.

not as a batsman but as captain of the county. Since he too over the leadership from Closs Yorkshire have won nothing, and all too often have failed to play to their potential.

My belief is that Brearley will rediscover his form and take England to Australia. I do not think the selectors would be willing to give the job to Boycott, not because he lacks the tactical ability but because overseas this alone is not enough. A touring skipper ideally should be a combination of guide, philosopher, psychologist, diplomat and public relations expert, which is n Boycott.

There are other reasons. First, several of the England team would welcome Boycott as an individual and as a batsman but not as captain. Second, recent years he has been ve injury prone. As both Brearley and Boycott must be near the end of their Test career, our selectors should certainly start thinking about a success to both.

## Some new ideas for the navigators

Trinity House and IIT are now in the final stages of evaluating a new coastal navigation system which they are calling the Radio Lighthouse. By the early 1980s there is a good prospect of a chain of these installations being available to enable yachtsmen in British waters to navigate with greater safety, simplicity, and accuracy.

A unit which has been developed by Standard Telecommunications Laboratories at Harlow—a British subsidiary of IIT—with enthusiastic support from amateur sailors on the staff is to be installed in the Portsmouth area soon for contract evaluation. It will be an engineering prototype. But it is my impression that Trinity House and the other two lights authorities for Great Britain and Ireland—Northern Lights and Irish Lights—are keen to press on with orders for a production run.

"Radio Lighthouse" is such an apt name for the new device that I for one hope that it will find a permanent place in the nautical vocabulary. Conventional marine radio beacons require the vessel to estimate its own bearing from the beacon by turning a directional aerial

on board ship and reading the bearing. That is at best a tricky operation and is sometimes beyond the capabilities of seafaring amateurs in rough weather.

In contrast a Radio Lighthouse will tell YOU the mariner at what bearing you lie from IT. It will operate on VHF frequencies and, unlike a conventional lighthouse, will be equally useful by night or by day, and in thick weather or clear.

Dr. D. G. Kiely, director general of electronics research at the Ministry of Defence, is also the independent chairman of the research and development policy committee of the three British Isles lights authorities. His committee is currently looking upon the Radio Lighthouse as one of the best pieces of applied research they have supported. It actually developed from a desirable idea into a workable system via aeronautical research into microwave landing systems and has had Department of Industry backing. So far about £50,000 has been spent on it by all the parties concerned.

The lights authorities like the low-cost and simplicity that the Radio Lighthouse embodies.

Units are expected to cost only in the region of £8,000 each. They will be small electronic packs. They can be easily transported and installed, and they require only simple aerials.

The lighthouse authorities believe that spending of that order can be amply justified for each of the more dangerous headlands, shoals, rocks, and islands of the British Isles if

specifically to receive Radio Lighthouse signals. The only additional function then needed is the ability of the mariner to count a series of "blips" and to transfer the information he thus acquires to plot his position on the chart.

The receiver can be small enough to put in an oilskin pocket and listen to on an earphone. The mariner will press a button on his crystal-controlled receiver to tune into the beacon of his choice. He will hear an identification signal followed by a series of "blips" each of which will represent 2 degrees on from a base bearing. When the "blips" fade the count has reached his vessel's bearing from the Radio Lighthouse. I am assured it will be a far simpler matter than trying to count and identify the dots and dashes one hears on the long-range Consol navigation system.

But even the chore of listening and counting will not be necessary to use the Radio Lighthouse. It is expected more advanced yacht radio receivers will be marketed at about £100 which will identify beacons with a digital "read-out" and follow with a similar "read-out" of the yacht's bearing from the

Radio Lighthouse. With IT system there will be nothing more to do than plot the information. Accuracy can be to a degree with such sets, being developed specifically for the small boat sailor who is equipped with a big-ship navigational system such as Rad Decca Navigator, and sophisticated radio direction find sets to interpret the existing MF beacons.

With a range of less than 10 miles from the transmitter I'm not intended for offshore position-fixing—although it can course be used in that way the yacht happens to be within range of two or more beacons at once. The main use is give the amateur a reliable position line through a known point in poor visibility.

Congratulations then to concerned for promoting will be the most advanced coastal navigation system small boat sailors available where in the world. It renders the "dog-barking" navigator obsolete. He was a bit incidentally, which developed on the Californian coast, used to stand in and identify headlands and the distinctive bark of whichever pet pig lived thereabouts.

## BOATS

ROY HODSON

the amateur sailor is thus enabled to fix his position with regard to those dangers more certainly. Port and harbour authorities and marina companies are also likely to buy the Radio Lighthouse to identify their approaches.

Now to the details of how it works. The important point is that the accuracy of reception is quite independent of the shipboard installation and the skill of the user. Trinity House estimates that a cheap VHF receiver costing no more than £20 might be developed

## BRIDGE

E. P. C. COTTER

WHEN TWO partners in misfit hands fight against each other—it happens all too often—disaster is not far away. On a happier note I should like to recall two hands from a pair of some years ago, which I played with one of my favourite partners, and demonstrate what real understanding he showed. Look first at this:

N		E	
♠ A 4		♠ Q J 7 6	
♥ A K J 5 4 3		♥ 7	
♦ 3 2		♦ K Q 7 5 4	
♣ A 2		♣ J 10 7	
W		S	
♠ 10 8 3		♠ K 9 5 2	
♥ Q 10 8 6 2		♥ 9	
♦ —		♦ A J 10 9 8 6	
♣ K 9 6 3		♣ A 5	

West dealt at game all and passed. North opened the bidding with one heart, and I replied with two diamonds. North re-bid two hearts, and I said two spades, a responder's reverse which is forcing. Now

North did not persist stubbornly with hearts, but gave preference with three diamonds, which is the acme of partnership understanding. I might have bid four diamonds—in fact, I was wrong not to—but I passed.

West led the club King, taken by the Ace, I cashed Ace, King of spades, and ruffed a spade on the table. I made the heart Ace, and followed with the King, hoping to discard a losing club, but East ruffed, and I over-ruffed. Now I ruffed my last spade on the table—West's failure to ruff in front of dummy revealed the trump position. I ruffed another heart in hand, and then cut adrift with my five of clubs, which West won. East had to ruff West's return, and I over-ruffed. I now held A-J 10 of trumps, while East held K-Q 7, so I led my Knave, losing to the Queen, and took the last two tricks.

I was not really disappointed at missing the vulnerable game, because it is on the whole a lucky make. Anyhow the score of 150 for three diamonds plus two brought in a good share of the match points. Several Northerns toiled unhappily in heart contracts, other pairs sought refuge in three no trumps, which was doomed from the start.

The second hand is a corollary

N		E	
♠ 2		♠ Q 10 5	
♥ 6 3		♥ 8 2	
♦ A Q 8 3 2		♦ K 7 6 5 4	
♣ A K 9 6 2		♣ 8 7 3	
W		S	
♠ A K J 9 6 3		♠ 8 7 4	
♥ A 7		♥ K Q J 10 9 5 4	
♦ J 9		♦ 10	
♣ Q 5 4		♣ J 10	

It game all West bid one spade, my partner overcalled with two diamonds. East passed. I bid two hearts, and over North's rebid of three clubs I said "three hearts."

Now my partner showed great faith in me. I had not given preference for either of his suits, but had rebid my own. Therefore my suit must be a good one. Not only did he accept my suit, but he raised me to game.

West led the spade King, and switched to Ace and another trump. This prevented dummy from ruffing spades, but with the clubs breaking, I made 11 tricks.

If West had led the heart seven at trick two, he would probably have saved one trick: if he had started with that card, he would have made things even more awkward. I could not have got out the trump Ace, because I would have lost three spades, but I could have got home by finessing against the club Queen. In fact, as the cards lie, I can still make 11 tricks by discarding a spade on the third club, and leading a fourth club. East ruffs, and I over-ruff. It does not help West to over-ruff with his Ace of trumps, so I return to dummy with a diamond, and lead the last club, throwing my last spade.

## CHESS

LEONARD BARDEN

THE MIDDLE game has an undeserved reputation of being always the hardest part of chess to master. The average player distrusts sacrificial attacks or strategy as too risky or too long-winded for club matches with adjudication on move 30. He is more interested in a book opening, which can be prepared in advance or in winning a pawn and waiting for the adjudicator to award the point.

Study of positional themes can benefit a club player as much as the latest variation in his favourite opening.

A new and highly recommended introduction to positional techniques is Simple Chess by Michael Stean (Faber paperbacks, 118 pages, £1.95).

Stean is one of Britain's three grandmasters and No. 2 in the England team for the world championship in Argentina this autumn. His lucid and helpful book is easier to read than some of the heavyweight middle game writings of Euwe, Pachman and Edward Lasker.

By concentrating on five important facets of chess strategy—outpost squares, open and half-open files, strong black or white squares, and space control—Stean explains chess planning and economical use of the pieces. One positional technique valuable for a club player is using a knight outpost to support a pawn break or a king's side attack in a blocked position. The squares to aim for are Q4 in queen's side openings such as the Benoni (the knight helps White play P-K4, P-KB4 and P-K5) or KB5 in the major king's side opening, the Ruy Lopez.

Even in master chess, players sometimes fail to realise the problems which hit Black if he allows such classical "outpost attacks." Two games this week each furnish a telling example. In Gligoric v. Paoli, Black's error comes on move 15 where

his bishop moves off the diagonal guarding his KB4 while he also misses the opportunity for 33 B-N5, B-B4 cb: 34 K-PKN3, keeping out the white knight. White's winning strategy

is then to regroup both knights to squares (KB5, KN4) where they have to be exchanged; then the resulting pawns on the KB and KN files can advance further, while the KR file is open for White's queen and rooks. With the centre blocked, Black can do nothing to stop the attack.

White: S. Gligoric. Black: E. Paoli. Opening: Ruy Lopez (Venice, 1951).

1 P-K4, P-K4; 2 N-KB3, N-QB3; 3 B-N5, P-Q3; 4 B-R4, N-B3; 5 Q-Q, B-K2; 6 B-K1, P-QN4; 7 B-N3, P-Q3; 8 P-B3, Q-Q; 9 P-KR3, N-Q4; 10 B-B2, P-B4; 11 P-Q4, Q-B2; 12 Q-NQ2, B-Q2; 13 N-B1, KR-B1 (better B-P3 or KR-K1); 14 P-KP, P-P; 15 N-K3, B-B3? (Black is probably already lost after this move, which allows White to carry out his strategy): 16 N-B5, B-B1; 17 N-R2, N-B5; 18 N-N4, N-B1; 19 P-N3; 20 N-Q7 gives White nothing—but now he has both a pawn roller and the KR file: 21 Q-Q3, N-Q3; 22 P-N5, N-Q2; 23 Q-R4, Q-Q3; 24 P-B3, Q-Q1; 25 B-K3, B-B1; 26 R-K2, B-Q4; 27 P-QN3, P-B5; 28 K-B2! (to switch the rook across to the KR file) P-P;

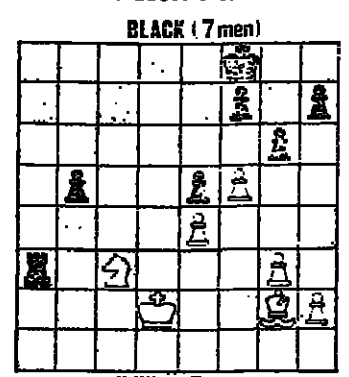
30 R-R1, P-R3; 31 R-P3, P-Q3; 32 P-P, P-N3 (if P-P; 33 P-B3, N-B5, B-B4 cb: 34 K-PKN3, keeping out the white knight. White's winning strategy

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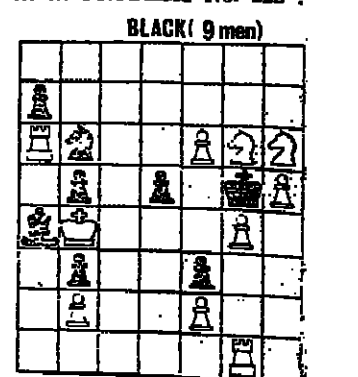
1 P-K4, P-K4; 2 N-KB3, N-QB3; 3 B-N5, P-Q3; 4 B-R4, N-B3; 5 Q-Q, B-K2; 6 B-K1, P-QN4; 7 B-N3, P-Q3; 8 P-B3, Q-Q; 9 P-KR3, N-Q4; 10 B-B2, P-B4; 11 P-Q4, Q-B2; 12 Q-NQ2, B-Q2; 13 N-B1, KR-B1 (better B-P3 or KR-K1); 14 P-KP, P-P; 15 N-K3, B-B3? (Black is probably already lost after this move, which allows White to carry out his strategy): 16 N-B5, B-B1; 17 N-R2, N-B5; 18 N-N4, N-B1; 19 P-N3; 20 N-Q7 gives White nothing—but now he has both a pawn roller and the KR file: 21 Q-Q3, N-Q3; 22 P-N5, N-Q2; 23 Q-R4, Q-Q3; 24 P-B3, Q-Q1; 25 B-K3, B-B1; 26 R-K2, B-Q4; 27 P-QN3, P-B5; 28 K-B2! (to switch the rook across to the KR file) P-P;

POSITION No. 222



White: V. Tarjan, Subotica 1975. Black to move; what should be the result, and how should play continue?

PROBLEM No. 222



White makes in two moves against any defence (by J. J. Basile 1895).

Solutions Page 12

## APOLLO

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## HOW TO SPEND IT

## Vroooooom! Vroooooom!

I'VE NEVER been terribly fussy about transport. I only ask that it is there, is comfortable and, above all, never, ever, suffers from the slightest mechanical defect. Anything that answers those needs meets with my approval and those extras—like handsome lines and stereo cassette—that men seem so concerned about, are very much inconsequential options. One mode of transport that I was quite, quite sure would never meet all my requirements was a motorbike—much too butch, much too chilly and all very well if you're a Mike Hailwood but not for the likes of rather timid, comfort-loving creatures like myself.

Well, recently, I've rather begun to change my mind. My increasing resentment at spending pounds and frustrating hours travelling about London, whether for work or pleasure, has led me to think there must be some other, better way of getting around.

My 15-year-old son meanwhile has, forcibly, been turning my thoughts in the direction of motorcycles as well by spending every moment in the family car appraising the two-wheeled models on the road. One of these I gather is

what is most likely to be welcomed as a 16th birthday present.

Some weeks ago the Institute of Motorcycling, an organisation designed to promote motorised two-wheelers, offered me a chance to get acquainted with a Puch Maxi, two-speed version (price £224.50).

I was lucky. It arrived in the middle of the only hot spell we've had this summer, so setting off on it was a real pleasure. I didn't feel insulated from people, scenery, sunshine and the whole world, the way you do in a car. A friend with a cottage in the South of France says the smell of herbs and the countryside as she rides her bike makes it an incomparable experience.

I did, however, feel very frightened. It took me quite some time to become familiarised with the starting mechanism, although really it is very simple. It also took me some time to become accustomed to the way the bike moved and turned and how to adjust the speed on the handlebars. It was nice not having to think about gears and clutches. It was particularly nice to set off and not be worried about traffic jams and where to park.

We only have one car which my husband takes to work, very early. Very often I'd like to do some shopping before setting off for work but by the time I've gone to the shops and returned home, well over an hour has gone by. The bike transforms all this.

I wouldn't like to use a motor-cycle as my sole means of transport. I'm sure I shall hate it when it's cold and wet and windy. It's no way to travel to a party or a dinner and I wouldn't like to have to travel long distances on one either. But as an adjunct to the family car, as a secondary vehicle to help with the shopping, to do small journeys quickly and cheaply, it's marvellous.

Even the smallest family car nowadays costs over 10p a mile to run, while a motor-cycle can be put on the road for as little as £160 (but more usually for about £200) taxed and insured. After that it costs between 2p and 3p per mile to run.

Clothing is important. You have to wear an approved helmet, and gloves are advisable. Flat shoes and trousers are ideal but both of the two female experienced motor-cycle drivers I

interviewed quite often ride them wearing skirts and shoes with slight heels.

I was singularly confused about the regulations governing riding motor-bikes so we asked the Department of Transport to put us straight.

If you are 16 you are entitled to ride a moped (i.e. a motorised two-wheeler under 50 cc and not capable of doing more than 30 mph) on a provisional licence (cost £2) showing L-plates.

At 17 you are entitled to drive a moped or a motorbike up to 250 cc on a provisional licence, without having to take the test. You can just go on renewing the provisional licence for as long as you like or you can take a test and get a proper licence (this costs £5 but is, of course, permanent).

If you already have a driving licence, it serves as a full licence for a moped or as a provisional licence for a motor-cycle, but if you want a motor-cycle licence you will need to pass a test.

You cannot ride motorbikes under 50 cc on motorways and you must have a full licence before you ride an authorised motorbike on a motorway.

## The career girl

CAROLINE HUNTER is Shop-bound for Vogue and spends a lot of her working life trying to get around London. She's begun to find that it was taking her longer and longer just to travel from one place to another and when a girl-friend bought a bike and she saw how useful it was she decided to buy one too.

"In this weather," she said (it being one of those few perfect summer days), "it's lovely and in the hot summer of two years ago it was really marvellous. I'd wear just a T-shirt and some Indian underpants with a drawing that I bought for 85p from Warehouse and I got the most wonderful sunbath."

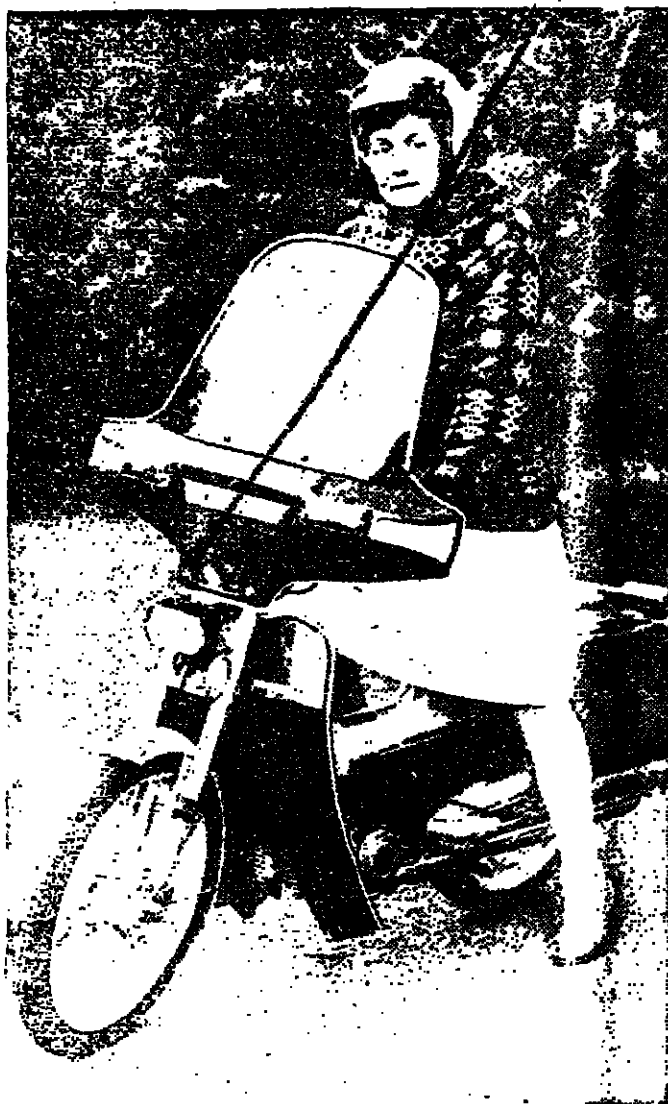
She bought a Honda ST70, the smallest motorbike around, and her father lent her the money, making her promise to be really responsible and careful about it. Indeed, she does think the machines are fairly dangerous—not so much because of the way they are driven but because so many people tend not to see them. She has had two accidents, both entirely unavoidable, and was once very nearly squashed between a lorry (she was riding in its blind spot) and a bus.

She finds it dangerous in wet weather and now takes very great care. She hardly ever uses it in the evening, always makes hand-signals, checks behind her and if it's chilly wears a pink fluorescent sweater to make her more visible. However, it does limit what she can wear and says she feels happiest of all wearing jeans or trousers. Very often this isn't possible in her job and she can get by wearing a skirt and lowish-heeled shoes. Hair is another problem ("I have to make sure it really is dry after I've washed it, because otherwise I get a ridge round the edge where the helmet has been"). Gloves she thinks are essential (if you fall you can graze yourself very badly) and ideally she would wear the kind of protective cover-ups that are sold specially for the purpose.

What she really likes about it though is what everybody who has one likes—it is so cheap to run, traffic jams are no longer any problem—she just weaves her way through them, and she can time almost any journey in London down to the last few minutes.



Pictures by Leonard Burd



## Busy housewife

FAY HARVEY is a housewife with teenage children who first decided to try a motorbike when she saw her son's in the family garage. She asked if she could have a go and found the whole experience made her feel so marvellous, so exhilarated, that she was sold on it there and then. She's been riding a motorbike ever since.

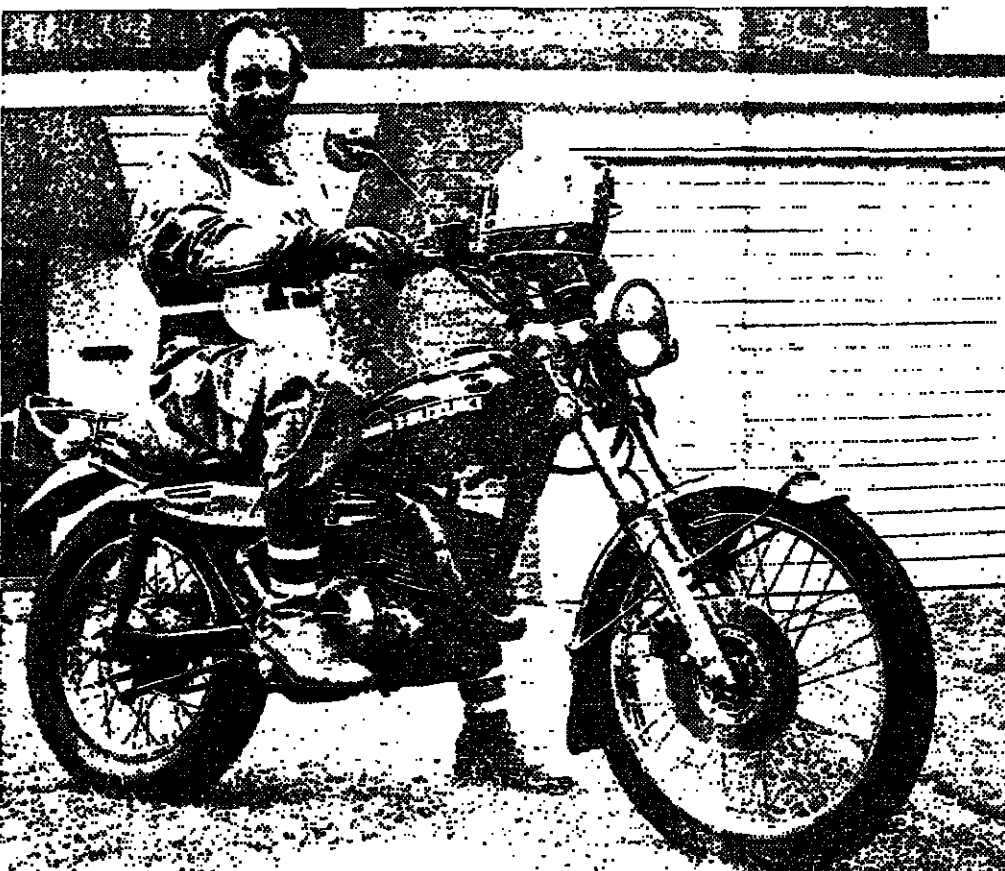
Because she's not in her teens or 20s, (which is the commonest age for motorbike riders) her appreciation of a motorbike did cause a lot of fascinated comment at first. "We didn't know you had it in you," said her friends and relations.

Mrs. Harvey finds it makes her feel younger and gives her a lot of pleasure at the same time

she finds it very practical. She works as a doctor's receptionist only about two miles away from her home and she used to use the family six-cylinder car for the journey. As she points out, "I never trusted it out but it must have been ridiculously expensive and was very bad for the car, particularly in winter, to take it out for such short journeys. Now I use my Puch Maxi—it's so easy. It starts and off it goes. I can park it anywhere, it fits in between cars in parking lots. I've had no repair bills, and haven't even needed a new spark plug."

"I use it primarily for getting to and from work and for shopping. I have a shopping basket and two panniers as extra accessories and other extras that I think are essential are a rear-view mirror, leg-shields and windscreen. I must admit I'm really a fair-weather rider. I love it in the summer and though the leg-shields and wind-screen help a lot I don't really like it in bad winter weather."

"I don't find there are any disadvantages apart from the tax question. There's no doubt that a helmet does flatten your hair and I find I have to do my hair again when I've arrived. But nothing would make me give up riding my bike now—it's my baby."



## Man about the Capital

BRYAN WOLFE, head of talks and features for Capital Radio, took to riding a motorcycle during the great fuel crisis of 1973 and has been doing it ever since. He went to talk to Sid, a dealer near his home in Stanmore. Sid recommended that he start on something small, like a 100 cc Suzuki and took him out for half an hour and showed him how to use it. He has not looked back.

He has a 16-mile journey from his home outside London to Capital Radio headquarters every day and whereas it used to take him between 45 minutes and an hour by car it now takes him between 20 and 25 minutes.

He quickly got used to clothes and weather. He dresses exactly as he needs to for his job and then puts an overcoat over the lot. When he arrives he removes the overcoat and there he is, immaculate as when he left home.

running many programmes on Capital Radio stressing the need for youngsters to be trained before setting out on the road. There are now plenty of very cheap schemes for training potential motorcyclists, started primarily because research showed that most accidents happened in the first few months after becoming a motorcyclist owner.

The best way to find out about local schemes for training motorcyclists is by contacting the RAC who will tell you where your nearest course is. Also a new national scheme code-named "Star Rider", approved by the Department of Transport, has been launched and it offers three different courses—one of four hours for £5, one of 12 hours for £10 and another (advanced) for 12 hours for £10. This scheme is run by STEP Management Services who have been greatly involved in traffic training in schools. Anybody with a young son or daughter pressing to ride a motorbike should make sure he or she takes one of these

courses first (details from STEP Management Services, 2308-11, Coventry Road, Sheldon, Birmingham, B26 3PB).

Even after training Bryan Wolfe still feels great care must be taken. He himself would never ride in icy conditions and he emphasises the importance of helmets by showing what a gentle accident ("just a light shunt at 40 mph") did to his crash helmet ("imagine if it had been my head")—the helmet was severely scratched and metal studs were torn out from the main fibre.

Bryan Wolfe himself now rides a 250 Suzuki which was originally designed for rough-riding so he's had the tyres and the brakes adapted for heavier traffic conditions. He does 62 miles to the gallon and the bike can do up to 75 mph.

The main thing, though, that he, like the other two drivers I spoke to, emphasised, is that motorcyclists make driving "fun as well."

by Lucia van der Post

## Holiday cheer

GIVEN THE kind of summer we've had so far and the kind of summer we endured last year, most of us don't feel like investing a lot of money in hot-weather clothing. On the other hand, to arrive in a holiday resort and be the dowdiest person on the promenade is no kind of fun at all. Somehow, whatever resort one arrives at, there are always a few fashion essentials that distinguish this year's summer gear from last year's. Last year was the year of white—whether old and antique, or spanking new broderie anglaise, all the chicest girls were clad in white with bright pink or ice-cream colours to provide some variation.

This year the colours are much the same but the big fashion

## FASHION

story is the over-shirt. The shops are full of them and for those who want to buy a last-minute holiday wardrobe without spending a sum out of proportion to the couple of weeks the clothes are likely to be worn, I recommend a visit to Warehouse shops. There are seven branches, all of them, I'm afraid, only in London; the main branch is in Duke Street, London, W1. They depend upon a very quick turnaround of goods and the best way to use the shops is to pop in frequently.

Their sale starts on Tuesday and will last for about two weeks. It will be a marvellous opportunity to buy cheap but up-to-the-minute holiday clothes. Draw below right is a selection of some of the buys—left is a tiered cotton skirt (£6.95) and a matching blouse (£4.95). Both come in a soft pink, pale blue, white, or grey, in sizes 1, 2 or 3.

On the right is a loose and easy over-shirt that can also be worn as a dress on its own (useful for popping over bikinis when going in for lunch). In rust, beige and white stripes it is chic, in ice-cream coloured stripes of green, pink and white, it is deliciously pretty. Sizes 10 to 14, £7.95. In the drawing the dress-cum-shirt is worn over fine white cotton trousers with the fashionable drawstring ties at waist and ankles. The cotton seemed to me too flimsy for the trousers to look very good on their own but they make a marvellously inexpensive part of a trouser outfit. In white, pink or green, sizes 10 to 14, they cost £6.95.

If you can't get to the Warehouse shops you could try sewing. Patterns nowadays have been so simplified that even those who were daunted before could now manage the specially easy patterns—these normally only require an ability to sew a straight seam. Photographed are two of Vogue's Very Easy Patterns—the over-blouse (7016, price £1.50) is worn over a tiered skirt (7095, price £1.25). These patterns are widely available and many shops offer marvellous bargains in fabrics at sale time. Next week I'll give some of the highlights of the fabric offers in the sales.



## Skin care

THIS IS the time of year when one is hoping to do one's best to forget about winter clothes—they're with us, long enough, after all. Nonetheless, the London Suede and Fur Cleaning company offers such a good deal that even the most ostentatious of us ought to take notice.

Basically, the deal they offer is that during the summer (to be precise from July 1 to August 31) they offer a discount of 10 per cent on the price of cleaning suede, leather or fur.

To help those who do not live near the company's headquarters (402, Green Lanes, Palmers Green, London, N13 5XQ) they provide a strong paper bag, ready for posting which makes it very easy to send the garments to them. For 50p they will send you this postage pack and the price is deductible from the final cleaning price. It usually takes about a fortnight to clean a garment, which is insured and guaranteed. In addition they will send a free copy of a booklet on "Suede and Leather Care" with each coat sent for cleaning.

To give some idea of normal prices a jacket in suede would usually cost about £10.00 while a long fur coat would be about £14.50.

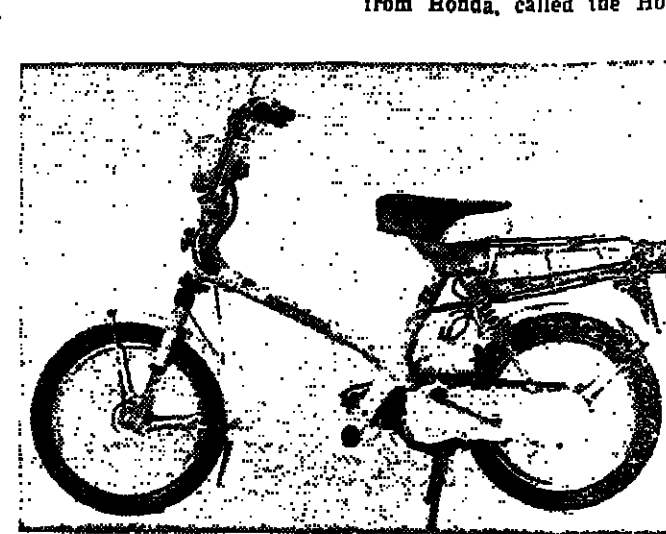


## Spin a salad

I FIND a special salad spin dryer is the only decent way to dry off salad ingredients. I used dry them in a clean dishcloth and was forever spluttering the kitchen walls and bruising the young leaves as I did so. Quite often a decent salad spinner is difficult to track down (we once visited about seven shops between us trying to find one for a relation who wanted one for Christmas) as they sell out fast as fast as they arrive in the shops.

Tefal have produced a salad spinner that does everything that most of them do—that is, it and packing).

## Express carrier



IF YOU want to try riding a motorbike a good one to start with, since it is exceptionally easy to ride, is this new model from Honda, called the Honda

Express. It's very easy to start as it has a simple foot-operated starting system. You turn key, push downwards a couple of times on the starting pump, squeeze the rear brake lever, the engine will start. I had tried this model personally, been trying the Puch Maxi, matic, which I find exceed easy and efficient as well. My secretary, who has tried model found it much easier to ride than she imagined and great fun to do over 100 miles to the lon and, like all mopeds, a top speed of 30 miles per hour. There are no gears or clutch since it is a two-stroke engine needs very little servicing, only been on the market six months; costs £169 or £180 ready to drive. Remember to budget for extra like baskets (but a view mirror is included). If you don't have a garage met and so on, as well.

## CLOCKS

The new British monthly magazine for world Clock Lovers.

Packed with interest and knowledge for the clock lover, the magazine covers all aspects of clock-making, from the technical to the historical, the beautiful designs of the clock-makers, the many different types of clocks, and the many different ways of using them. Published by the British Clock Association, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.



## ARTS

## Deep in the forest of Arden The contrasts of Giselle

Many well-known contemporary playwrights have cause to remember radio drama with gratitude. It was where they first had the opportunity to hear their work performed by professionals and to discuss it with a sympathetic producer. The thousands of scripts submitted each year are closely scrutinised for any sign of potential ability which is then encouraged, and eventually given a hearing.

As a regular radio critic I am often approached by someone connected with radio drama to be told that a particular contribution to the Afternoon Theatre slot, or the Monday Play, by an unknown writer, is the best new play for radio we've had in four years, or some such encomium. At a subsequent listening I sometimes discover that there are indeed rounds for the enthusiasm, where the position is not nearly so happy as it at the end. You do not find a one-time BBC drama producer, like Alan Ayckbourn, coming back and



John Arden

## RADIO

ANTHONY CURTIS

riting a comedy specially for radio has been a world putation. If radio drama is a school for novices, it is nearly widely enough used established playwrights.

Obviously there is a financial reason for this. The radio is inevitably limited and a playwright who has a name can earn a great deal more from television or the stage. However, thanks to the Department by the Department of the City of Authors, the fee for radio play has been experienced it goes up today from £7 per minute to £11 per minute; for a glider the rate is now £7 per minute. This surely is not bad means that an hour-long play gets an automatic repeat its first broadcast. It is not under £1,000 (and maybe more than that from transcription rights and subsequent rights later on).

In the case of a playwright of national reputation the fee may be increased by the play being sold when it is commissioned broadcasting services around the world. This was how Ray's last play, *Cause Celebre*, to be written, also a new by Albee. *Listening*. The Department hopes it may be possible to extend this method to authors in the die band of failed Occasion though, a major playwright write a play for radio simply because he is interested in the medium, because it happens to

suit what he wants to say better than any other. Such a one is John Arden, whose new radio play *Pearl* goes out on Radio 4 on Monday. It is also being featured tomorrow in *The South Bank Show* in an item which goes into some of the problems and benefits of radio to dramatist.

I have not previewed this but it should be worth watching. I was, however, fortunate enough to have a word about the play with Arden at a playback of it at Broadcasting House. He stated that to him is the main benefit quite unequivocally. "Radio," he told me, "is the one medium where you can ask an audience to think. No one wants to think in the theatre." This is sad but true. The thought-processes in *Pearl* are both dazzling and rank-trying; only the sense of a hearing—that it is over-complex, overloaded with historical goodies, prevents me from saying it is one of the best radio plays ever to have been written. It opens with a masterly attack at the performance of *Julius Caesar* in the hall of the Marquess of Grimscrope's house in England towards the end of the seventeenth century. A foreign woman, apparently a prostitute haunting herself among the audience, asks her reactions to the show which is then brought to a stop by a militant band of puritans. The noble lord ascends the boards, and launches into an apology for the state attended by his tame house playwright and her reactions to the show. Arden's play within families drama is operating on several different levels, the confidential utterances of the mysterious

Pearl (Elizabeth Bell who has to suggest her disguises by her own words), the presentation of the mentality of the Jacobean mob who are spoiling for a civil war, a political conspiracy to re-establish the rule of Parliament by Lord Grimscrope (Pete Jeffrey), an amorous situation involving Pearl and his mistress Belladonna (Lynda Marshall), and so on and so on. As I say, the mixture did become too rich by the end, but as an example of what radio can do when no holds are barred it was, in Alfred Bradley's production, impressive. Both Stephen Boxer's music and Arden's own feeling for the punnently adjectival belittles seventeenth-century manner sustained the illusion of the period with stylish elegance.

You do not always have to go to a dense radical poetic play such as *Pearl* to hear the subtleties radio permits a writer who has the feel for it. Rachel Billington's *Sister, Sister* (June 19, Radio 4) traced with the delicacy of a mapping-pen some minor sorries on the domestic front. Her three sisters (Maria Aiken, Maureen O'Brien, Anna Calder-Marshall) want to go not to Moscow but straight into the arms of the nearest available young man so long as he belongs to one of their siblings. Christopher Guard had to rotate and narrate. For any one curious about the games people play within families, comedy, directed by Kay Patrick, was an entertaining and revealing work.

The contrast between the two acts of *Giselle*, between reality, and dream, between earth and air, day and night, was very apparent in Thursday's performance at the Coliseum when Eva Evdokimova and Rudolf Nureyev appeared in the Festival Ballet staging.

Evdokimova's timorous village girl was an attractive heroine in Act 1, with her shy delight in

## BALLET

CLEMENT CRISP

being in love, though that delight is often clouded by fears and uncertainties. Her dancing was entirely winning, and her gentle feet seem to stroke the ground and never emphatic in stressing the ballerina aspects of the part; her mad-scene, with its muted grief and sudden flashes of terror, caught at the heart.

Nureyev, who treats a delicate line between amused coquetry as Albrecht and a genuine feeling for his infatuated with Giselle. I found less than compelling.

But with Act 2 Nureyev's emotional power as the sorrowing Albrecht, and Evdokimova's softly poised grace, fused into an exceptional interpretation. Nureyev appeared out of the midnight gloom like a man haunted; once given a glimpse of the Will Giselle, he then seems to summon her from the night mists by the sheer force of his imagination. We believe in her because he can see her. With every step—and the cascade of entree and the soaring leaps that all their accustomed brilliance and a tireless bravura—Nureyev makes this jewel of Romanticism flash and fire in the light of his interpretative gifts.

Evdokimova, with her effortless jump and her feathery, lightly-brushed steps, can hold an arabesque as if floating above the stage. She manages the very difficult feat of making an arched, swaying, with curling sweetness of arms and pretty quizzicalness of pose, seem sincere and natural. As a setting for these illuminating performances, Festival continues to provide a well-lit forest glade and to people it with a well-drilled and wonderful troupe of Willis.

## THEATRES THIS WEEK

## ... AND NEXT

**THE OTHER PLACE—***Captain Swing*. Rousing new play about the agrarian uprisings of 1830. The Stratford production in the RSC production in the Stratford production. Opened Monday.

**ROYAL SHAKESPEARE THEATRE—***Measure for Measure*. Undesired production of difficult play with Jonathan Pryce as a memorable Angelo. Opened Tuesday.

**CHURCHILL BROMLEY—***The Woman I Love*. Rerun of the abdication saga that is as feeble as it seems unnecessary. Starring Martin Jarvis and Holly Palanca. Reviewed Wednesday.

**COTTESLOE—***American Buffalo*. Linguistically refreshing; new play from the talented young American playwright David Mamet. Dances King, Jack Billington, Peter Hall, and Bill Bryden's good production for the National. Opened Wednesday.

**GREENWICH—***Hindle Wakes*. Not too dated 1912 Manchester comedy that sorts out the domestic problems of a dirty

comedy that sorts out the domestic problems of a dirty weekend in Lancashire. Robert Kidd's production is affectionate. Opened Thursday.

**NEW END—***The Singular Life of Albert Nobbs*. George Moore's story of the Dublin waiter who was a woman, offers Susanah York some splendid androgynous opportunities in spooky production by Simone Benmussa. Opened Thursday.

Prospect at the Old Vic celebrate Christopher Fry's 70th birthday with a revival of *The Lady Not For Turning*. Monday. Men by Noel Greig is at the Theatre Royal in Covent Garden for a fortnight from today. The RSC have yet another new play at the Warehouse on Wednesday. *Savage Amusement*.

Thursday, a strong contrast: Paul Scofield in *A Family at the Haymarket* and, at the ICA, a new musical, *Disaster*, from the author of *The Rocky Horror Show*.



Susanah York and Stephanie Beachem

Ashley Ashford

## Singular life of Albert Nobbs

As a small boy with red hair George Moore used to stay with his parents at a family hotel in Dublin in the 1880s. He was sometimes told that he was a boy, but he wanted to be a woman in disguise. He called him Albert Nobbs and wrote a short story about him in 1917 which he included in *Caligula* when his book of short stories was reprinted in 1927. It is a sad but effective story showing how through escaping from the common lot of Victorian women, unemployment and dependence on men, Albert becomes imprisoned in an unprecedented situation in which he has gained security at the expense of a kind of half-life.

Ms. Simone Benmussa, who has done dramatic criticism and worked in the theatre with the Renard-Barraclough company, has now adapted it as a play which she has directed and designed herself at the New End, a tiny theatre near to Hampstead Heath. Two silent misanthropes, Albert and a woman, who are both about among the maids in the hotel who have a favourite waiter he is.

There is no attempt here to conceal the fact that Albert is a woman. Susanah York does in fact make an unconscious and beautiful waiter in spite of the clothes. We know, too, as soon as we set eyes on the housepainter, Herbert Page, in the person of Stephanie Beachem, with whom when the hotel is fully booked Albert has to share a bedroom, that he is a woman. Moore stretches probability here beyond

its limit but the mutual discovery of the bedfellows' true sex makes a fine scene. The boyish stay awake half an hour of the night of his money as she can. The muted exchanges between them are played with studied hesitancy. With a 19th-century heroine pitted against a hostile universe, Albert goes through a series of early grave-white, trying to gain some comfort from a prostitute (Veronica Duffy) on route. Miss York endows him with a dreamy, thoughtful, baffled, ineffectual dignity throughout his descent.

There is indeed a strange velvet atmosphere about the whole of Ms. Benmussa's production which I found fascinatingly exquisite, but completely unconvincing. She does not recreate the Victorian Dublin of George Moore so much as the softly focused balletic world of its contemporary art-world with its passion for role-reversal between men and women. But to do this in such a confined space with such intractable literary material is no mean achievement.

For Albert the conversation proves to be momentous. She spends the remainder of the play day-dreaming about marriage, the prospect of a small shop, and the possibility of a life with a man. The hotel for a suitable bride.

Among performers, all giving their best, will be the Beverly Sisters, Eleanor Bron,

The one she finally chooses is a cheeky urchin, portrayed by Julia Foster, who already has a boyfriend and an aim to milk Albert of as much of his money as she can. The muted exchanges between them are played with studied hesitancy. With a 19th-century heroine pitted against a hostile universe, Albert goes through a series of early grave-white, trying to gain some comfort from a prostitute (Veronica Duffy) on route. Miss York endows him with a dreamy, thoughtful, baffled, ineffectual dignity throughout his descent.

## Palladium Gala of women

Over 100 of Britain's best-known women stars will appear in the Golden Gala to be presented by Lord Grafton at the Palladium tomorrow Sunday. The all-women performance will commemorate the 50th anniversary of the granting of 1928 of equal voting rights for women.

Among performers, all giving their best, will be the Beverly Sisters, Eleanor Bron,

Georgia Brown, Norma Burrows, Petula Clark, Dulcie Gray, Irene Handl, Miriam Karlin, Glynis Johns, Evelyn Laye, Margaret Lockwood, Marian Montgomerie, Joan Plowright, Lynn Seymour, Anne Skelton, Elaine Stritch, Janet Suzman, Dorothy Tutin, and Billie Whitelaw. Wendy Toye will produce and direct the presentation which will be televised on TV on Sunday, July 8.

Chess Solutions  
Solution to Problem No. 222  
Black won by 1...P-N3; 2 N-N3 (2 N-Q5, R-R7 ch wins the bishop); R-R7 ch; 3 K-Q3, P-N3; 4 B-B3, P-N7; 5 K-B2 (if 5 N-B3, R-R6; 6 K-B2, R-N3 ch; R-R6; 6 N-N1 (6 B-N4, P-R3; 7 B-B3 or K-R3, R-R6); 8 R-R7; 9 K-N with an easy win.

Solution to Problem No. 222  
1 R-Q1, and mate next move.

## WEEKEND CHOICE

**SATURDAY:** The first episodes of two newly imported American series clash tonight when BBC 1 shows *Wonder Woman* and ITV shows *Laverne and Shirley* at 6 o'clock. *Wonder Woman* stars Lynda Carter, the U.S. 1973 Miss World in the role of the original (1941) female superhero counterpart to Superman. In the TV version she became a hero of the American feminist movement.

*Laverne and Shirley*, one of America's big ratings successes, stars Penny Marshall and Cindy Williams as flatmates who work in a bottling factory.

**SUNDAY:** If you are in the mood for a lazy afternoon there is an interesting assortment of programmes on BBC 1 starting with *International Athletics* which includes the Emily Carr Mile with 17-year-old schoolboy Stephen Cram among the runners; then *Edgar Anstey's* ageing documentary *The Scene From Melbury House*, made with the famous British Transport film unit; followed by the fifth in the documentary series *The Irish Way*. — C.D.



Wonder Woman: BBC-1 tonight

## V/Radio

† Indicates programme in black and white.

## BBC 1

10 a.m.—*Ragtime*. 9.15 The *thing*. 9.40 *Goodbye* and *Goodbye*. 10.00 *Chasers*. 10.05 *Philips* "Piano" U.S. start. 10.15 *Laurel and Hardy*. 11.27 *The Cornhill Insurance*. 11.30 *News*. 11.35 *Cricket*. 11.40 *News*. 11.45 *Cricket*. 11.50 *News*. 11.55 *Cricket*. 12.00 *News*. 12.05 *Cricket*. 12.10 *News*. 12.15 *Cricket*. 12.20 *News*. 12.25 *Cricket*. 12.30 *News*. 12.35 *Cricket*. 12.40 *News*. 12.45 *Cricket*. 12.50 *News*. 12.55 *Cricket*. 1.00 *News*. 1.05 *Cricket*. 1.10 *News*. 1.15 *Cricket*. 1.20 *News*. 1.25 *Cricket*. 1.30 *News*. 1.35 *Cricket*. 1.40 *News*. 1.45 *Cricket*. 1.50 *News*. 1.55 *Cricket*. 2.00 *News*. 2.05 *Cricket*. 2.10 *News*. 2.15 *Cricket*. 2.20 *News*. 2.25 *Cricket*. 2.30 *News*. 2.35 *Cricket*. 2.40 *News*. 2.45 *Cricket*. 2.50 *News*. 2.55 *Cricket*. 3.00 *News*. 3.05 *Cricket*. 3.10 *News*. 3.15 *Cricket*. 3.20 *News*. 3.25 *Cricket*. 3.30 *News*. 3.35 *Cricket*. 3.40 *News*. 3.45 *Cricket*. 3.50 *News*. 3.55 *Cricket*. 4.00 *News*. 4.05 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## ARTS/COLLECTING

## Bowie

Bowie is back, but without the glitter, the glamour and the gay gaudy fantasies. He might be wearing turquoise leather rompers and a ruffian yellow top for the first half, but who isn't? This is a confident, happy, Bowie, finished with excess and quite content to sing through his songbook to his very faithful fans.

The atmosphere at Earl's Court on Thursday was much more exciting than for Dylan a fortnight earlier, mainly because

## POP

ANTHONY THORNCROFT

the audience was giving more and was asking more of the star. They did not surprise. There was much material from the latest album which is solid street-level noise, and a natural predecessor to the new wave. It all hung together very well, making an assessment of the Bowie appeal seem simple. He sings powerfully, he moves smoothly with some



Tillerish high heels, and has some self-induced charisma. But his music is only powerful when he goes over the top: the average Bowie song is pretty average, especially the newer work which is heavily instrumental.

Of course a Bowie concert cannot be conventional. He can afford a good band and has one, and the lighting was exceptional, picking out the musicians for their solos and not playing up the star too excessively. For "Jean Genie" not only were the strips of neon, which made up the back-cloth, glaring brightly but more neon from above created a glowing cage around the man. It was as effectively theatrical as any image from his past, including, especially including, the Ziggy Stardust tedious escapade, which received the usual airing to a rapturous response. Bowie still lays on a powerful rock concert, an exciting drama, which he orchestrates as usually and as commandingly as Dylan. Whether it is all as good as it seems I doubt.

## Bonnard

Pierre Bonnard is acknowledged today as one of the greatest painters of the century; but one whose reputation, for all his success, is somewhat ambivalent. He is not particularly well known to the world at large, and no matter how much he might be admired by the community of artists, few within it would care to argue his case as a powerful influence, a direct and general example. His life was unspectacular, reclusive, devoted simply to the business of making paintings of his near, familiar, domestic world; and the fact that his images of fruit and flowers, girls in the bath and in the garden, clothes on a clothesline, doors and windows ever open to the southern sunshine, are among the most lusciously seductive ever made seems almost to be but the happiest of accidents. His ambition was entirely private, centred upon the work itself, lacking that public dimension, that gave his great contemporaries, such as Matisse and Picasso, their authority and celebrity.

In his work he was concerned, indeed obsessed, with his subject-matter. If Matisse can be censured for his sometimes dangerously bourgeois interests, his apparent lack for years on the end of serious artistic purpose, poor Bonnard must be well beyond the pale. For subject-matter lost its respectability for a while: a pretty girl no longer reason enough for making or inspecting a painting but a questionable distraction; a bunch of flowers only useful for the

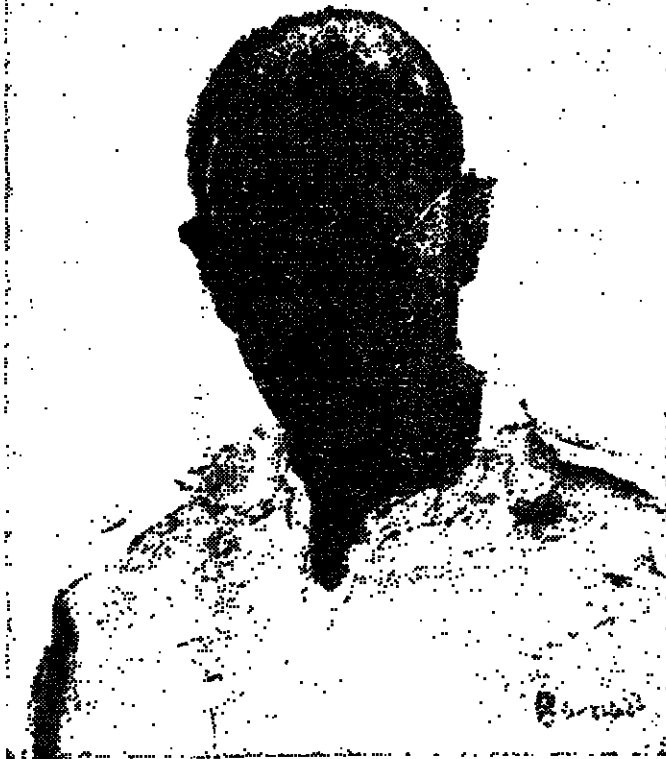
painterly problems uncovered before it. Bonnard, the true heir to Monet, the true painter, was always admired for his touch, his colour, his use of paint—how could it have been otherwise? Today his subject-matter, that awkward interest in things,

## ART

WILLIAM PACKER

nature, people, has become less problematical, his hedonism again less threatening to our own guilt, less of an obstacle to our involvement in the work. We can see, and accept as mutually enhancing, on the one hand the image, the illusion, the reference to life; on the other the substance, the surface, the practical, technical magic of paint.

His paintings are astonishing things, and now the Leffers Gallery is showing 15 of them (until July 29), skimming lightly across his entire career, and including one or two works of the first importance, altogether a rare treat. The small self-portrait stands for them all, the artist peering tentatively at his subject, the contours soft, the form apparently blurred and imprecise; and then we see that the head is modelled in colour, firm, adventurous, colour, pink, purple and yellow, unexpected yet entirely convincing a combination, the image perfectly re-



Pierre Bonnard: Self-portrait

solved. With Bonnard we start us gently through into his own at the surface, in a soft and light and sensation-filled world. Great Art reveals itself in shared never leaves us there but leads experience.

## Parsifal at Camperdown

Camperdown House is the rehearsal studio of the English National Opera, but it is the Wagner Society's pocket Parsifal which has been happening there. (The final performance begins at 4 o'clock today.) It is a richly quizzical enterprise: semi-professional, earnest staged on a mini-budget in the three-quarter round, with the Hamamersmith Symphony Orchestra playing from a balcony above the audience. Few operas are less likely to gain from such enforced intimacy, even in English (a competent new translation by Roland Matthews and Andrew Medlicott); the effect was rudely de-mystifying, sometimes to the point of travesty. The audience wriggled on exquisitely uncomfortable chairs—even the notorious Bayreuth seats were never like that.

John Blatchley's production hardly advanced a case for a Parsifal at close quarters.

Though the visible chorus was prudently reduced, there were enough of them to conceal the action often from most vantage points. Some devout members of the audience, realising that they were going to have to take the elevation of the Grail on

## OPERA

DAVID MURRAY

trust, actually flung themselves on to the playing-floor to peer between the Knights' ankles. Scenes with only two or three characters were invested with no more dramatic subtlety than conventional big-house productions offer, and in any case several principals were hampered by their curious costumes, variously bulky and be-furred. Parsifal looked like

a half-plucked bird, and here and there (the third act Prelude was an anxious affair).

Simon Gilbert's Gurnemanz, unequal to his Good Friday raptures, nonetheless made a reassuringly sturdy lynchpin. Greene, Haisman, Bruce, gave Parsifal a committed, nervy intensity which was altogether to the point: phrases in the upper register faded fast, but the rich gymnasium-acoustic flattered his youthful tone enough to let him

round out an interesting sketch. The latest from his musical compellers—Rice and Lloyd Webber. There might be a transfer after the six-week run at the ICA but as long as the east and the audience enjoys itself what does it matter?

He is more happy about the revival of the Rocky Horror cult in the U.S. The film is doing good business in New York where the audience tends to dress up as its favourite characters. He keeps an eye on the London production. "You think it is dreadful then something happens and it all works again. With Hugh Thomas, who directed City Sugar, handling Disaster, and a lot of Rocky originals in the cast, there is a good chance that Disaster will work too."

## O'Brien on Disaster

Richard O'Brien is at it again. The creator of the Rocky Horror Show, the musical spoof of every post-war B-movie about mad scientists and lurking dangers, is unleashing a new work at the ICA next week. Called Disaster it is set on an island in the Bermuda Triangle and follows the fortunes of a group of well loved caricatures as they face imminent destruction from a tidal wave.

O'Brien has had one disastrous musical since Rocky, which is still running in London after five years, but has high expectations of Disaster. There is music, too: this time, classical melodies with O'Brien lyrics. He sees it as more of a drawing room comedy, and at rehearsal it seemed ripe enough to appeal to the original Rocky audience half a decade older and to the more daring Shaftesbury Avenue crowd.

Disaster is an easy going parody with characters like Stella Hippie "Joan Baez like in her sincerity" and Joe Warsaw "U.S. Senator—Butch Right Winger, but plays as being Liberal, happily sending up a genre. O'Brien is equally easy going, which probably accounts for the fact that his new work is not getting the treatment afforded to Errol, the latest from his musical compellers—Rice and Lloyd Webber. There might be a transfer after the six-week run at the ICA but as long as the east and the audience enjoys itself what does it matter?

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## TV RATINGS

W/e June 25

1 Winner Takes All (Yorks.)	14.45
2 World Cup Holland v. Italy (ITV)	14.25
3 Life Begins at Forty (Yorks.)	13.65
4 World Cup Argentina v. Holland (BBC)	13.55
5 Coronation Street (Wed.) (Gran.)	12.25
6 Charlie's Angels (ITV)	12.55
7 Wheels (ITV)	12.30
8 Coronation Street (Mon.) (Gran.)	12.18
9 Crossroads (Thurs.) (ATV)	12.10
10 Crossroads (Tues.) (ATV)	12.10
11 Crossroads (Tues.) (ATV)	12.10
12 World Cup Brazil v. Poland (ITV)	11.50
13 Crossroads (Fri.) (ATV)	11.55
14 Whodunnit? (Thames)	11.28
15 Sale of the Century (Anglia)	11.15
16 The Pink Medicine Show (LWT)	11.00
17 Year Only Young Talent (Works)	10.50
18 Emmerdale Farm (Thurs.) (Yorks.)	10.40
19 Emmerdale Farm (Tues.) (Yorks.)	10.45
20 People Like Us (LWT)	10.20
21 Are You Being Served (BBC)	10.20

Figures compiled by Audit of Great Britain for the Joint Industrial Committee for Television Advertising Research (JICTAR).

U.S. TOP TEN (Nielsen ratings)

1 Three Company (comedy) (ABC)	21.1
2 Laverne and Shirley (comedy) (ABC)	20.8
3 Charlie's Angels (comedy) (ABC)	20.7
4 Happy Days (comedy) (ABC)	20.2
5 Love Boat (comedy) (ABC)	19.1
6 Alice (comedy) (CBS)	19.0
7 MASH (comedy) (CBS)	18.2
8 One Day at a Time (drama) (CBS)	18.2
9 Quincy (drama) (CBS)	16.7
10 Fantasy Islands (comedy/drama) (ABC)	16.7

A Nielsen rating is not a numerical total.

## V and A buys Cecil Beaton

Sotheby's is disposing of the photographs that Cecil Beaton kept in his own collection. Last year the first group sold for £27,955 and at Sotheby's Belva yesterday a second batch fetched £15,137. The top price was the £800 for a snapshot album containing over 1,300 snaps taken by Beaton in the 1930s and 1940s.

The Victoria and Albert Museum was an active buyer, paying £1,630 in total. A photograph of Marlene Dietrich was bought for £200; one of Beaton himself for £300; a portrait of the Sitwells in the late 1920s for £250; and of Nancy Beaton for £220.

A furniture sale at Sotheby's made £371,821, with a top price of £47,000, double the estimate, around 1710.

for a rare early Louis XVI large commode, stamped Schlichtig, Partridge paid £27,000 for a late 18th-century commode, attributed to Weisweiler. It is one of a pair which sold together

## SALEROOM

ANTHONY THORNCROFT

at Sotheby's in the Lord Rose, very sale of 1984 for £13,000. Other high prices were the £15,000 from Phillips for a Louis XV thuywood commode, marquetry and parquetry commode, and £10,500 for a Louis XIV bouffe bureau plat of a gold sleeve of saddle slip

shape, elaborately decorated, from the late 19th century. Christie's also held a sale of 19th-century impressionist and modern paintings and drawings yesterday totalling £73,620, bringing the total for the week of sales to £3,081,610. A private Japanese bidder on the telephone from Tokyo paid £5,800 for a painting by Narcisse Virgile de la Pena titled *Souy Bois*. The same buyer paid £5,000 for a Theodore Rousseau painting of *Une Etendue* and £4,500 for *Scène de Forêt* by the same artist.

Stanley Gibbons three-day auction of British Empire stamps realised a total of £78,038. A proof sheet of nine attractive and very rare Rhodesian 1905 5d stamps, which depict the Victoria Falls fetched £1,500.

The same dealer paid £2,600 for a woodcut of a seated ape signed Tomakuru of Gifu. It dated from the 19th century. In a three-lot section of the sale devoted to in-oro a container for pills or potions—Hurtis the U.S. dealer from Hawaii paid £3,000 for a gold sleeve of saddle slip

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## Old messages live on

THE GREAT old-time collections, whether they were of Gaudiums or Lautree lithographs or matchbox labels—were generally formed by collectors with discernment ahead of their time, who bought in periods where their particular passion was out of (or not yet come into) fashion, and disregarded. For today's collector the problem is to find anything at all that can be said to be dis-revered. A strange compulsive nostalgia has settled on the race, and people of all sorts feel the urge to collect anything that links them to a comforting past and recollected youth, however recent.

Old enamelled advertising signs, which tend to be big, battered and of limited aesthetic appeal, are very much in this way, a collectable of our

Gallery, Sheffield. It doesn't reach London (the Geffrey Museum) until March of next year, but meanwhile you can catch up with it on its peregrinations through Hull, Dudley, Nottingham, Southampton and Bristol. After London it ends up at Edinburgh and Dundee.

The enamel advertising sign belonged essentially to an age that had no conception of inflation. It was a time when you could with confidence exhibit an advertisement of near permanence (The Patent Enamel Company claimed its signs to be "The Plate that outlasts all others") which proclaimed Whitebread Stout and Mc at 2/6 the dozen, Lyon's 2d fruit pies, or The Daily Mail ("The best along the line") at one penny.

Little wonder, then, that the decline of the old enamel signs already came in sight with economic uncertainties at the end of the First World War. They lingered on, nevertheless. Enamel signs were still produced in their thousands between the Wars, and even survived after rationing of iron and steel halted production in the Second World War. Today Garner Signs of Willesden Green (est. 1890) having absorbed many of their former rivals, are still ready to produce signs of the old bright brilliance to order. Signs of the times, indeed, today they are kept busy making reproductions of their old masterpieces (Black Cat, Oxo, Camp Coffee and the rest) to be marketed to collectors by Dado Designs. Dodo, of 185 Westbourne Grove, are at the same time one of the main dealers in original old enamel advertising signs.

The nostalgia appeal to collectors is not hard to see. These were the ornaments of the little neighbourhood streets of industrial towns: Stephens' Ink and the Waverley Pen (which, with the Pickwick and The Owl, came as a Boin and a Blessing to Men) outside the Post Office; News of the World, Players Please and Bruno Fluke outside the newsagents; and a whole gallery outside the corner grocers. Even those stamped-out copper letters glued with mastic varnish in artistic arrangements on the windows of back street shops, advertising Cadbury Cocoa or Typhoo Tea (more often than not they said "TY HOO EA, of course) were all part of the trade.

In the country, big iron advertisements for Thorley's Cake or Spillers' Pig Food flashed at



metal surface reached this country in the 1850s.

The earliest signs of the new enamelled iron were more elevated than mere advertisements: Salt's Patent Enamel Works of Birmingham supplied decorated ceilings for the Palace of the Gaekwar of Baroda and for the no less palatial new railway terminus. Salts seem to have been the first to build a factory purely for the production of advertising signs, though they were quickly followed by others: Chrono of Wolverhampton, Imperial of Birmingham, the Falkirk Iron Company, and Burnhams, Bruntons, Garniers and Wood and Penfold, all based in London. Baglee and Morley have traced a score of firms, including Madras Iron of India. Most of them were to vanish as poster hoardings replaced enamel signs, in the new age of impermanence. Some firms went over to the business of enamelling baths and cookers.

Baglee and Morley have set down the whole story in a very attractive book, rich in colour pictures, designed to accompany the exhibition (Street Jewellery, New Cavendish Books, £3.95). Just to prove it can still be done, the cover bears a real vitreous enamel title plate specially made by Garniers. Or at least it is supposed to. If you have my luck the plate will fall off, leaving only a flattened blob of glue behind.



THE FOOD FOR HEALTH

## COLLECTING

JANET MARSH

time Christopher Baglee and Andrew Morley, however, have rationalised their now united collections of what they affectionately call "street jewellery," by assembling them with such dedication and comprehensiveness, exploring the economic and technical background to reveal an illuminating way of British social history.

Their collection, or at least the best 150 examples from it, is at present touring the country as an exhibition, which first opened at the Laing Art Gallery in Newcastle in April, and is currently at the Mappin Art



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## CULTURAL EVENTS

3 JULY — 29 JULY 1978

commemorating the 167th Anniversary of Venezuela's Independence

Art Exhibition, including works by Soto, Cruz Diez, Poleo and Ravelo. Official opening 1630 hrs, 5 July. For one month at The Warehouse Gallery, Earlham Street, London WC2

Exhibition of Venezuelan life, industry and technology. Official opening at 1930 hrs, 3 July, at the Rembrandt Hotel, Thurlow Place, London SW7

Conference on Venezuelan Science and Technology, 1000 hrs, 4 July, at the British Council, 11 Portland Place, London W1

Wreath laying ceremony at statue of Simon Bolivar in Belgrave Square, London SW1, 1000 hrs, 5 July (Venezuelan Independence Day)

Opening of Exhibition depicting the life and times of Bolivar at Canning House, Belgrave Square, London SW1, 1100 hrs, 5 July. For two weeks

Piano recital by Judith Jaimes, 1930 hrs, 6 July at St John's, Smith Square, London SW1

Piano recital by Alexis Rago, 1930 hrs, 7 July, at St John's, Smith Square, London SW1

Visit of Ambassadors and Staffs of Bolivarian countries to the Lewes Festival, 8 July

'The Sound of Venezuelan Youth', A concert of Venezuelan popular and folk music at the Shaftesbury Theatre, Shaftesbury Avenue, London WC2, 1330 hrs, 9 July

The Venezuelan Embassy cordially invites the general public to attend the above events

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EXPERIENCE AND EXPERTISE... 347



Grand Piano by Sebastian Erard, circa 1840, associated with Franz Liszt. Sale, Friday, July 21

"F. Liszt 23 June 40 for Mrs. (?) Shorn" — thus reads the inscription, apparently in Liszt's handwriting, on the wrest plank of this Grand Piano, associating it with the composer's second and most important visit to England from early in May 1840 to June 1841. In London he performed at the Philharmonic Concerts in June 1840 and, at the same time, apparently gave the first known solo piano recital there, under the aegis of the publisher Louis Henry Lavenu. In this context, it is of interest also to note Liszt's connections with Erard: on an earlier visit to London, in 1824, at a concert at Drury Lane Theatre, he "consented to display his inimitable powers on the new Grand Piano Forte, invented by Sebastian Erard." Unfortunately the second name on the inscription has not been identified as being among Liszt's acquaintances.

The Grand Piano is to be included in Christie's sale of Important Musical Instruments on Friday, July 21. For further information about this sale which also includes violins by Antonio Stradivari and Nicolo Amati — and about future sales — please contact Edward Croft-Murray or Rosslyn Neave at the address above.

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George Webster (1797-1832) A British Alan of War with other shipping off Shal esapeake Gulf, Kant Can. 1828. 36in, 21.91cm

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## COMPANY NOTI

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Standard Chartered Bank Limited and B. C. J. Riebau Esq., C.M.G., state that amount due to them, in the capacity as Trustees of the Sinking Fund of the abovementioned Stock, in respect of the annual Sinking Fund contribution has not been received. The terms of the provision for an annual payment before the close of Southern Rhodesian financial year on the 30th June.

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## FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3BY

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Saturday July 1 1978

## In a glass darkly

THIS IS A time of year when many in the financial markets are preoccupied with racing and tennis, when their children are at school, and when the academics who teach their children hold conferences about the future—a season, in short, of forecasts, sporting, meteorological and economic. In the last week, indeed, there were no conferences on the same subject about deindustrialisation in the next decade, as well as the usual output of forecasts.

It might be thought that all this activity would produce some useful guidance for those concerned with the future—either managing the economy or simply managing their own investments; but anyone wanting to use forecasts as a basis for decision would have to be highly selective in his reading, even apparently simple matters like the impact of North Sea oil production on the balance of payments are the subject of widely varying estimates. Complicated things like the trend of the whole economy are correspondingly worse.

## reflection

None of the available forecasts, it is true, is particularly useful; but even that fact, we will see, can be at least a reflection of the past—a projection of the future. Honest forecasters will admit that they learn more from their mistakes than from any other source; but those mistakes are as apparently authoritative estimates while the learning goes on.

The thing that most strikes me is the reader of economic pronouncements is that forecasts have become notably more accurate and more numerous recent years. The numerous errors in fact a direct result of the errors: if one organisation produced consistently false forecasts, there would be little room for any competition (there is no private rival to the Met Office, because the Office actually forecasts her well). The inaccuracy of a look at first signs like unemployment, but is inevitable in a time of local upheaval.

All forecasting techniques are based on the idea that things in some sense repeat themselves; but when the shocks suffered by the economy are without precedent, as they have been in recent years, there is past which can repeat itself. This means that recent forecasts have not only contained

## The humility

Keynes himself once hoped that economists would become humble but useful technicians, like plumbers. At the moment the technique is unequal to the strains imposed on it and perhaps in self-defence the humility has flown out of the window. Economists are too ready to use their tentative analyses as a reason to proclaim doom, or recommend violent reforms—a siege economy, a State take-over of investment finance, or a sole reliance on monetary management. Those who work in the relatively healthy real economy should not be put off by this bluster.



Mr. Bill Sims

AFTER MONTHS of slow Steel Trades Confederation, was but not unproductive manoeuvring with its came unexpectedly. What trade unions to tackle its financial crisis, the British Steel Corporation has this week seen everything starting to blow up in its face.

The detonator for the explosion, which was being damped down yesterday, was a memorandum to his workers from the manager of the melting shop at a West Midlands steelworks. But the charges had already been put in place by the corporation itself.

The threat of a national strike to stop closure of the Bilston plant near Wolverhampton—even though now withdrawn—was chimed in oddly with the relatively peaceful way in which steelworkers in the last 18 months have agreed to closures and with fairly rapid moves towards industrial democracy, including worker directors on the main board of BSC.

This week's events at Bilston and at Scarborough where the biggest steel union, the Iron and

## Steel: the not so golden handshake

BY CHRISTIAN TYLER, Labour Editor

If the corporation's air of injured surprise was less than convincing—and privately its officials were conceding that a danger had been dropped—then the same might also be said of the leaders of the ISTC. Mr. Bill Sims, its general secretary, is also chairman of the TUC Steel Industry Committee which on May 30 had proposals put to it for closure of the whole Bilston plant by March next year. That letter also, according to BSC, suggested that two of the open hearth furnaces might have to go from August 6—the announcement which upon reaching the works caused this week's outcry. Although the corporation would not say so, it clearly feels that Mr. Sims has been unpardonably slow to respond to its invitation to talk about Bilston and even something disingenuous in calling down a storm a month after the proposals were put before him.

Yet there is no doubt that even if the ISTC leaders were fully in the picture about Bilston, they were very much at a loss to know how to react. Mr. Eric Varley, Industry Secretary, chose to take that view and told the corporation only was accepted for some back-stairs pressure had been applied. Mr. Sims warned, as did others, that whatever the unions might decide officially, they were powerless if their members at the plant wanted to take the money and run. This

is the corporation's strength and the unions' weakness in the bargaining game that is now becoming a little confused. The fact of the unions' negotiating weakness helps to explain why the conference reacted so angrily to the Bilston memorandum and so enthusiastically to the announcement that a strike was on the cards.

So the first reason for the outbreak was this: The melting shop memorandum appeared to prove superfluous, and it fell in the middle of a fierce and anxious assembly of union activists who had jobs before severance payments.

BSC could not have devised a better way of forcing the negotiations to a climax nor of testing the real feeling of the unions. But this apparently was not the corporation's intention: nor is it unlikely that it would have knowingly risked knowing such a bold industrial move. Essentially the ISTC was already smarting from the tone of a leaked Conservative Party document which suggested that steel unions were a "soft" target in any confrontation.

There are several other good reasons for what happened, apart from the technicalities of the argument about what the melting shop memorandum really meant. For a start, Bilston is the first plant not singled out in the Beswick Report for closure which the BSC has said it wants to shut down.

Hartlepool, East Moors and Ebbw Vale, where closure has been agreed this year, were all

## The steelworkers' fears

By ARTHUR SMITH, Midlands Correspondent

THE STARK outlines of the British Steel Corporation plant at Bilston casts more than a physical shadow over the life of the Black Country town. What goes on at the works is the main influence upon prosperity and morale. Elizabeth, the blast furnace which dominates the skyline, is already idle, mothballed last October in response to an earlier cash flow crisis within the state corporation.

Local people have lived with the fear for nearly 13 months now, that steel making might end altogether and the 2,340 strong workforce be made idle. The immediate effect would be to lift the present 6.3 per cent local unemployment rate close to double figures. Other jobs in dependent companies and service trades would follow quickly. A warning that it might prove difficult to snatch Bilston from its "spiral of decline" has already been issued by the Wolverhampton Borough Council, the local authority that embraces the town.

Against that background it is not difficult to appreciate the emotions aroused by reports

closure of East Moors and to the market." Sir Charles said he was confident that steelmaking would "continue until 1982 plus," although he would not commit himself to what would happen beyond that.

But 12 months later Mr. John Pennington, Sheffield Divisional Managing Director, told the works council that "like the rest of the world we were demonstrably wrong in our forecasts of what the future pattern of demand would look like." He called for immediate discussions as there would be no likely requirement for steel making at Bilston in 1980.

The action committee maintains that after that announcement a joint union-management group studied the possible alternatives and proposed a strategy to offer Bilston a profitable future. An investment of just over £13m would be needed for the installation of modern steel making equipment and additional rolling mill facilities. The shop stewards argue that the programme could easily have been financed from the £22.1m profits the plant had made over the previous five years. Mr. Turner accepts that

even such a policy would mean the phasing out of around 1,400 jobs but says "a modern efficient slimline enterprise" would be preferable to total closure.

The corporation's case seems to be that such arguments are all very well at a time of high demand, but that with most plants operating at only two-thirds of capacity, Bilston has become marginal. The steel can be supplied more cheaply from elsewhere.

Union arguments about the social and economic damage any closure would cause to the area have gained widespread support. The situation at Bilston is only one of the problems facing the Borough of Wolverhampton which has suffered 15 company closures in recent years, causing a net loss of 7,000 jobs. Recent cutbacks in activity by other companies has cost a further 5,000 jobs. The local trades council will lead a delegation to the TUC headquarters on Monday to express concern about the threat to Bilston and other jobs people," Mr. Turner says. "This in the area. Plans are being made to involve the 35,000 to continue."

## Letters to the Editor

**ropeans**  
Mr. J. Bourlet  
Mr. J. Bourlet's article in the Financial Times of June 23 is a fascinating and useful account of local attitudes and cynical as within the major political issues. Unfortunately, however, he seems to assert an economic analysis which is totally at odds with informed analysis and opinion. He states that membership of the European Economic Community is (economically) "neutral to the country." This is not reached after referring to various occasions when the British Government participated in EEC attempts to manipulate markets for the benefit of European producers in the textile negotiations at the expense of consumer interests. His disclaimer after cheese, sugar and meat is entirely unjustified. He understates the costs of Britain and the entire just frustration and sense of loss felt by those best able to apply the British market in the New Zealand, and elsewhere.

I suggest, with great respect, that he should "check" as one recent example of informed assessment, the report by Wynne Godley and others, "The costs to Britain of joining the EEC," in the 1978, University of Cambridge Economic Policy Review. This report is made that in the gross national product be as much as £200 per head higher if Britain were not a member of the EEC.

**tion**  
The Commercial Manager, Cradock and Co.  
—It was refreshing to read national newspaper such as your own Max Wilkinson's on circuit breakers in the 20 edition. This sort of article is usually confined to the technical Press and the

engineering fraternity are already "sold" on this principle. The message it contained criticising the UK's adherence to the European fuse when the much better solution to electrical protection in the form of circuit breakers is available, is very appropriate. Many less developed countries than the UK have abandoned the reversible fuse because of its inadequacies and it is time we followed suit.

We cannot support Mr. McDowell's suggestion that 80 per cent of electrical contractors do not know how a circuit breaker works. We are of the opinion that increased cost is the real stumbling block. Only a few pounds however is involved and related to the cost of a house and the extra facility offered the extra would hardly be noticed.

**Pensions**  
Mr. S. Lupton  
Sir—May I propose that your column, Eric Short, when referring to pensions last Saturday (June 24), made two not unimportant omissions of fact which may be of interest to some of your readers about to decide on the related facts of that article.

There can be little doubt as to the benefit and advantage of commuting as much as possible of one's pension in addition to those stated at the beginning of Mr. Short's article.

Based on the premise that the pension would be one-ninth of the capital sum, an immediate return of 11.1 per cent is offered with the likely extinction of the capital sum on the death of the pensioner and certainly go on the demise of his widow who may have been in receipt of a diminished pension prior to her death. The advantage to the pensioner is the advice to, and target of, the retired, a short study of the gilt-edged market will show that 12 per cent plus is readily available. With no risk whatsoever, income could be increased by at least 9 per cent or £10 per £1,000 of capital. In addition is the certainty that the capital sum will continue providing a similar return to the next of kin regardless of age and/or relationship.

Furthermore, in the event of a great difference in the judicial systems of the United States and this country, which contributes far more to problems facing the American manufacturer than does the mere introduction of a regime of strict liability.

One important detail should not be overlooked, namely, T. W. Marriott, 13, Clarendon Road, Norwich, Norfolk.

**Hopeful**  
Mr. W. Newland  
Sir—Living in Iran and travelling throughout the Middle East interrupts my regular reading of the Financial Times and I have only just seen the June 6 issue and read Mr. Gilliland's letter about charges for sewerage by the Thames Water Authority. Unfortunately, I haven't seen Mr. Thirkell's letter to which Mr. Gilliland made a not very understandable reply. But I do own a house in an area served by the TWA and I have read the statement which accompanied the last demand for a water rate which explained, or tried to, why my water rate had increased alarmingly.

If I am to believe Mr. Gilliland, can I expect that the general rate demand from the local authority will decrease in proportion to the increase demanded by the TWA or is that too naive of me to expect any such simplistic solution? Perhaps Mr. Gilliland or Mr. Thirkell will tell me.

I have an awful suspicion that I shall end up paying increased charges to both the TWA and the local rating authority but I am ever hopeful.

**Water**  
From Mr. R. Thirkell  
Sir—I was most interested to read the second letter on June 22 from Mr. Gilliland, Thames Water director of finance, and particularly to note that he now admits that the increase in the average household bill for water and sewerage in 1977-78 will be far higher than the average figures he previously quoted and very much nearer to my figures, that is, about 14 per cent or 17 per cent if the Price Commission

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مکان الکترونیک



# Profits the casualty in shopping war

BY ELINOR GOODMAN, Consumer Affairs Correspondent

SHOPPING PATTERNS have been thoroughly changed since Tesco just over a year ago signalled the beginning of open warfare among supermarkets by dropping trading stamps and going all out for sales. Tesco's sales have shot up almost to the £1bn mark; millions of pounds of business have been taken away from other traders. Many of them, but by no means all, independently run.

The ripples caused by Tesco's decision to cut gross margins by four or five points have spread throughout the grocery trade and there is no immediate prospect of much more than a short-lived summer calm. Supermarket leaders are only half-joking when they privately suggest to each other that if one chain were to ease its prices upwards, they would follow. But while margins may edge upwards later this year, the feeling among many leaders in the grocery trade is that they are extremely unlikely to recover to the levels of before last June.

With large new stores being built all the time, there are simply too many shops fighting over the housewife's purse for there to be any sustained lessening of competition.

Virtually no contender in the price war has survived without some bruises to nurse from the last 12 months. Tesco's own sales may have leaped 43 per cent since it launched Operation Checkout, but despite this massive sales increase, pre-tax profits were 5 per cent down during the year to the end of February. Sainsbury, which relaunched in January with its own discount campaign, managed to increase its pre-tax profits for the year as well as boosting turnover by 22.2 per



cent. But its net margins fell too in the second half. Even the northern-based Asda chain, which has more experience than any High Street supermarket multiple of discount selling, had its net margins trimmed while the growth of other regional groups, like Hillards, has been slowed down.

Two groups, International Stores, the BAT subsidiary, and the Debenhams food division, Caters, have been pushed into the red and practically every company chairman with an interest in food retailing has warned shareholders of the impact of the price war on margins.

According to the Institute of Grocery Distribution, supermarkets' net margins narrowed from 2.1 per cent to 1.8 per cent last year. Net margins are the product of a number of

factors but the biggest single cause of this narrowing has been the cut retailers have had to make to the mark-up on the goods they sell. Gross margins throughout the industry have come down by at least two percentage points since last year. With food sales down 4 per cent in volume last year, practically every food chain decided that the only way to support sales was to emphasise price.

## Ranking

All this has shaken up the traditional ranking order in the industry. If proof were needed of the importance shoppers now place on prices, it is the way in which trade has shifted. Broadly, business has gone to those groups which have made the most dramatic (and best publicised) cuts in gross mar-

gins. According to a survey carried out by the AGB research company, and based on a list of grocery items with big sales, until last June Tesco ranked 14th in terms of stores offering the lowest prices and third after the Co-op and Sainsbury in terms of sales.

In June it leapfrogged Sainsbury, Fine Fare, Mac Markets and all the other High Street chains to become the cheapest group in the country except for Asda. Since then its ranking in the price league has slipped slightly, with two other regional groups, Morrisons and Hillards, outdoing Tesco though still behind Asda in the price league.

But Tesco has held on to its sales gain in a way that few of its competitors expected. Today, it has around 12 per cent of the packaged grocery market as monitored by AGB

against about 8 per cent last spring.

The same correlation between price and market share is evident in Sainsbury's performance. As it improved its position in the price league in January, so it improved its market share from around 8 per cent to 10.9 per cent last month. Compared with Tesco's 50 per cent increase of market share, Sainsbury's gain may not look as spectacular, but by the standards of any other year, it would be remarkable. Moreover, as the management emphasises, Sainsbury's sales gain has been at least partly matched by higher profits. That is more than can be said of Tesco.

Between them, the two groups have taken over £200m of annual sales from their competitors in the packaged goods market. The biggest losers have been the independent stores—whose share has fallen from 21 or 22 per cent to 18 or 19 per cent—and those stores, like Woolworths, which make food only a part of their business. The Co-op's dominance of the grocery market has also been eroded by a further percentage point, though with around 18 per cent of the market, as monitored by AGB, it still remains far and away the biggest chain.

Setting aside occasional monthly fluctuations, most of the big High Street chains, like Fine Fare and International, have been able to hold on to their market shares. But the profit figures show that even standing still can be an extremely expensive business in today's market. Had it not been for the fact that some of these chains are part of larger companies, they might not have been able to fight in the way they did. Moreover the growth

of the regional discounters like Asda has been slowed down.

As yet, there have been no major casualties, though in the price war, some companies have retrenched. Debenhams, for example, has pulled out of the development of very large stores, while British Home Stores has closed some of its food halls and converted others to self-service.

Distributors are not the only companies involved in the price war. Their suppliers have inevitably been drawn into the fray too as companies like Robertsons, J. Lyons, and Heinz have pointed out to shareholders. The price cuts plastered over practically every supermarket window in Britain are the result of a series of complicated negotiations between manufacturers and retailers. Some manufacturers, particularly those making less popular brands, have come under increasing pressure for bigger discounts. Some have been able to resist this pressure, but even those that have are alarmed to see their brands selling at cost, or even below, in some supermarkets.

## Emotive

The whole question of discounts is likely to become a major issue over the next few years. Some say it is of far greater long-term significance than price controls, which have been the most emotive subject in the trade for the past few years. The Monopolies Commission is studying the subject and the big question is whether it will come down in favour of restricting the amount of discounting or the savings in costs involved in servicing a particular customer—as is done in the

U.S. This would mean an end to the kind of discount which is simply related to volume, and from which groups like Tesco greatly benefit.

At present, the various trade organisations in the industry are only just beginning to formulate their positions—and in the case

hands. Last year the multiple groups' share of the food trade increased by another 2 per cent, and despite the efforts of some of the voluntary groups, like Spar, the signs are that the trend is continuing this year. Unless shoppers become less concerned about prices, the independent sector seems bound to suffer more.



Mr. Ian MacLaurin, managing director of Tesco.

of some of them the process looks like being a very uncomfortable one because the trade is sharply divided between those who favour discount controls and those who would lose by them. (Broadly, most manufacturers seem to be in favour, along with small retailers, while some of the big supermarkets are firmly opposed to controls, but there are splits in all the camps.)

The Monopolies Commission investigation will go far beyond the food trade alone, but the price war has focused attention on the way buying power in the grocery industry is being concentrated in fewer and fewer

But while Tesco did not, as some people expected, mark the anniversary of Operation Checkout with a renewed price campaign, the management says it has no intention of relaxing the pressure, and even if it did ease up there are always groups like Asda around to take advantage of any such move. According to Mr. Ian MacLaurin, managing director of Tesco, the company will try to increase its sales of the more profitable non-food lines this year but will retaliate against any group which tries to undercut its prices. "Last year was a year we changed direction. This year we will show people that we can make money in it."

## Weekend Brief

### Don't cry for me

The official FIFA report that more fans, 1.7m, attended the 28 matches of the just terminated World Football Cup in six Argentine stadia, where 86 per cent of the tickets were sold, more than in any previous World Cup, does not begin to explain just what the event has meant for Argentina. "For the first time in my life," said Rear Admiral Carlos Alberto Acoste, who was vice president of the committee which organised the Cup, "I saw all Argentina in the streets. It was not, as it always was before, when some celebrated outside, while others—saddened—stayed inside their homes."

Admiral Acoste was referring to the "drunken feast with out alcohol," as a West German correspondent—accustomed to the alcoholised carnivals in Cologne and Düsseldorf—termed the mammoth celebration, reputedly the biggest in history resulting from a sporting event, which erupted up and down Argentina after the 3-1 victory over Holland.

Apparently no Argentine stayed in his home saddened, unless it was Jorge Luis Borges, the country's leading man of letters, who repudiates the English for introducing "stupidities such as football." Young and old, Peronists and anti-Peronists, were on the streets waving, not their sectarian flags, but flags of identical colours: the sky-blue and white of the national banner. Truly, this had not happened in beknighted Argentina for at least a century, if ever.

After eight years of warfare against the guerrillas, and a partisan division of the country which dates virtually from 1810 when Argentina proclaimed its independence from Spain, the republic was starved for a victory which could be proclaimed by all its citizens, even if it was such a "stupidity" as triumph in a crucial football match. "I'm happy," said Acoste, "because with this world championship, we have defeated defeat."

The day after the final, the unbelievable happened in Plaza de Mayo, the Buenos Aires square—the scene of rabid rallies during the Peron years—which stretches out in front of government house. Five thousand cheering school children, playing inpatient hooks, refused to "leave the central square of the Republic" until the Argentine dictator-President, Gen. Jorge Rafael Videla, appeared on the Government House balcony made famous by the late Juan Peron and waved to them. Only the day before, it surely seemed to virtually no one that such a balcony scene would be possible in Argentina for years to come.

The regime is doing its best to capitalise on the World Cup victory in a multitude of ways. All of them aimed at the launch of "The era of the modern, vigorous Argentina which has been reborn in a sentiment of profound optimism," as it was put by Gen. Hector Saint Juan, Governor of Buenos Aires Province.



Michael Sumner: see Expansion by Design.

Of course, the regime is basing its hopes for Argentina's rebirth on more than the victory of the Argentine national football team. Of much more importance is the fact that Argentina could bring off something so extensive and complicated as a World Cup in the face of so much hostility from abroad and assurances, especially in Europe, right up to the eve of the opening match, that chaos reigned. Monero guerrilla threats somehow to embarrass the regime while the world's attention was focused on the games produced virtually no incidents. If any further proof were needed that the guerrillas have been defeated in Argentina, the lack of blood in the streets, and the scant evidence even on the television screens around the world, of security precautions, may be said to have satisfied the need.

The Junta, however, apparently realise that the attacks on them from abroad, because of their human rights record, will not let up until they either release or charge the more than 3,000 jailed on suspicion of being involved in subversion. The three members of the Junta will be replaced this year, as from August 1 when Videla leaves the Junta to remain as president only, and they are determined to "clean up" their ball as much as possible. One Argentine observer, taken with the spirit of watching so much international football, terms it.

## Flight path

Leisure seems to hold a fascination for the expansion-minded in Britain's boardrooms. Latest to join the ranks is Great Universal Stores. The GUS subsidiary Global Tours appears to be the chosen vehicle for an attack on UK disposable income. Not much of that about? Well Gussies seems to disagree for Global not only intends capturing "a bigger share of the holiday market over the next few years" but is also "looking at investment opportunities across the whole spectrum of the leisure industry."

Just to show that this is not all talk Global has followed the route recently taken by tours competitor Intasun to the doors of the Boeing Corporation in

Seattle. Like Intasun, Gussies has been looking for three 737 jets and while everyone is being cautious about the orders it sounds as if the signatures are there in pencil and only await a few contractual details to be sorted out before they become fact. On past form Gussies would not get much change from £20m for such an order, but the cash would come from one of those complex international financing deals which are common in these circumstances.

## Expansion by design

Today King Khalid of Saudi Arabia officially opens the new Equestrian Club in Riyadh. And among the guests will be Michael Sumner, of Kennedy Sumner, British interior design consultants. Kennedy Sumner's career got off to a good start in 1968 when its first ever commission was for the interior design of the residence of Crown Prince Hassan in Aman. Since then, it has gone from strength to strength with a list of eminent clients the world over, including Stanley Kubrick, Richard Burton and Stavros Niarchos.

Around 60 per cent of their work is for export and of that about half has been carried out in the Middle East. Contracts worth over £2m were handled in 1977.

Riyadh's new Equestrian Club—something of a misnomer since its only connection with horses is that it is situated next to the racecourse—will become the gathering/watering place for the Saudi meritocracy. According to Michael Sumner it is a cross between a country club and the Athenaeum. And the segregation prevalent in gentlemen's clubs in this country will of course be carried to its illogical extreme in the Equestrian Club: the women will have separate facilities including their own swimming pool and saunas.

Sumner considers it unlikely that male and female will ever meet under this particular roof. In early 1975, while the U.S. competitor Intasun to the doors of the Boeing Corporation in

was being constructed, Kennedy Sumner was invited to take part in a design competition for the interior design. In May the team knew it had won—against Italian, French and U.S. competition. Their presentation budgeted for a cost of \$1.1m but the final bill was in fact \$74,000 less.

This included making, supplying and installing carpets, furniture and fittings. The furniture contract was awarded to an Italian company in Milan which had had a lot of experience in the Middle East, but the contract for carpets went to a British firm, Treanor Derry, of Hampstead. Three people worked full-time on the Club contract, using a team of 10 people when necessary. The manufacturing period lasted 16 weeks: all the component parts were transported to Ravenna for containerising to Riyadh. Installation took a further eight weeks.

Kennedy Sumner's original design philosophy was to aim for a consistent theme based on the atmosphere of British clubs: cool, comfortable and conservative. All suggestions had to be submitted to the Minister of Finance and the Minister of Economic Planning with the net result that the design turned out to be a little less restrained and slightly more American in influence.

Nonetheless the final result is still a very cool scheme: white walls with shades of blue and greens for the carpets and furniture. Because of the intense heat wood, with its tendency to warp, has been avoided. Some tables were made from marble which was lacquered and marble surfaces were used extensively. There is very little chrome or steel. Cotton was used for the upholstery.

Everything went smoothly. "We enjoyed a good working relationship with the ministers," says Sumner. Indeed a large part of the continuing success in the Middle East is put down to this: "We understand their psychology."

But now it's back to British phlegm and rainy London—the next big contract is for a new corporate headquarters in the City.

## Contributors:

Robert Lindley  
Arthur Sandles and  
Christine Burton.

## Economic Diary

SUNDAY—Prime Minister and Princess Margaret at Golden Gala to celebrate 50th anniversary of equal voting rights for women, London Palladium.  
MONDAY—TUC-Labour Party Liaison Committee meets, House of Commons. National Union of Mineworkers conference opens, Torquay. European Parliament in session, Luxembourg. Prime Minister opens "Right to Vote" exhibition, Westminster Hall. Eight major international banks meet in Zurich to discuss Turkey's

debts. CBI Monthly Trends report. Austrian Chancellor Bruno Kreisky in UK—attends opening of Anglo-Austrian Society's House with Mr. James Callaghan. Mr. William Whitelaw, Conservative Party Deputy Leader, National Investment. Mr. Roy Jenkins, European Commission president, opens Royal Agricultural Society Show, Warwickshire.

TUESDAY—UK official reserves meeting. Capital issues and redemption (June). House of Commons debates employment. British Steel Corporation annual

report. Monetary Fund gold auction. THURSDAY—Two-day Europe Council summit meeting opens. Housing starts and completions (May). Scottish Marketing Board annual meeting. CBI conference on multinational lending agencies.

WEDNESDAY—Commons Finance Bill report stage. Monthly meeting of National Economic Development Council. Prime Minister at Lancaster House, SW1. International

FRIDAY—Meeting of GI Finance and Establishment Committee. Personal income, expenditure and saving (1st quart). Gross domestic product (1st quarter—revised).

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## SUMMARY OF THE WEEK'S COMPANY NEWS

## Take-over bids and mergers

Frank B. Hall, the third largest quoted U.S. insurance broker, has unveiled its expected \$25m takeover terms for Lloyd's broker, Leslie and Godwin. After nearly three months in tense negotiations and the initial bid being aborted by a ruling of the committee of Lloyd's, Hall has made a deal which has met with Lloyd's approval. An intricate package has been constructed containing a cash bid of 125p a share for the whole of the Leslie equity and plans for a subsequent reconstruction of the Leslie companies. The reconstruction—to be completed by the end of the year—will channel all the Lloyd's broking interests of Leslie into one subsidiary, Leslie and Godwin International, in which Hall will hold a 25 per cent stake.

Petford appears to have failed in its last-ditch attempt to prevent Bournemouth taking over W. Henshall and Sons (Addlestone). The full Takeover Panel has rejected an appeal against rulings by the Panel Executive which forbade Henshall issuing new shares to Petford, thereby diluting the 50.6 per cent of Henshall's equity already held by Bournemouth.

It looks as if Mr. Norman Gidney is about to make another attempt to mop up the remaining shares he does not already hold in Warwick Engineering Investments. The board of Warwick, of which Mr. Gidney is chairman, is currently holding talks with Gidney Securities which are expected to lead to an offer being made for the outstanding minority shareholding.

Dealings in Ecuma were suspended on Wednesday at 70p after an announcement that the company is involved in talks which might lead to an offer. This approach follows the sale of an 18 per cent stake in the company at the end of last year by Walter Lawrence to a number of institutional investors.

Centrovital is making a £20,000 bid for the ordinary and 8 per cent cumulative preference shares of Mansell Thorpe. The offer comprises 5p for each ordinary and 133p for each preference share.

Cement-Roadstone has lifted its spending on acquisitions to over £12m in the past fortnight with the announcement that it has agreed a \$12.2m (\$6.6m) cash bid for Amcor Incorporated, a Los Angeles construction materials concern. Earlier this month, CR revealed that it had made an agreed £5.6m offer for J. and W. Henderson, the Aberdeen-based builders' merchants.

In a move which will create a company with around a third of the steering gear market, Advest has bought a subsidiary of Dupont, the West Midlands industrial holding group. The company involved is Burman and Sons which is one of the leading manufacturers of steering gear.

Company bid for	Value of bid per share**	Market price**	Price before bid (£m)**	Value of bid (£m)**	Bidder	Final Acq'ce date
Prices in pence unless otherwise indicated.						
Albright & Wilson	195½	178	123	115.04	Tenneco	—
Arkwright & Co.	6.6*	8	7	0.397	Sageat SA	12/7
Capital & County	150*	142	97	1.57	Johnson Group	6/7
Laundries	20*	20	20	4.64	Unigate	30/6
Carding Group	85*	71	58	1.82	Armstrong	4/7
Comercoft	20*	21	191	1.05	Mooloya Invs.	—
Customagie	73	78	35	5.03	Thos. Pilling	—
Fluidrive Eng.	20*	21	191	1.05	Harrisons	—
Harrisons	95½	109	90	115.78	Crossfield	—
Malaysian Ests.	210*	204	155	5.85	Cement	—
Henderson (J. W.)	20*	241	18	0.50	Roadstone	—
Henshall (W.)	30*	241	21	0.75	Petford	30/6
Investment Trust	277	260	255	87.10	Barclays Bank	12/7
Corp.	20*	20	20	1.60	Mr. T. Ward	—
KCA Int.	132*	137	123	11.47	Colonial Mutual	12/7
Lond. Aust. Invs.	21*	25	19	0.32	Aschheim Secs.	—
Land & Liverpool	25*	26	21	0.88	W. & A. SA	—
Marler Estates	200*	197	163	4.23	Hillshog AB	30/6
Mila Masters	83½	79	82	1.87	Mitchell Cotts	—
Mitchell Cotts	96*	92	72½	—	Robt. Kitchen	30/6
Transport	200*	200	170	0.78	Industrial	—
RKT Textiles	65*	66	55	2.76	Starwest Inv.	—
St. Kitts (London)	135*	139	124	14.50	Dane Corp.	—
Sugar	80*	87	80	1.60	Mr. J. Clouston	3/7
Trident Group	50*	53	48	2.38	Newman Inds.	—
Printers	—	—	—	—	—	—
Turner Mfg.	—	—	—	—	—	—
Western Bros.	—	—	—	—	—	—
Wood & Sons	—	—	—	—	—	—

\* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not  
\* not already held. † Combined market capitalisation. ‡ Date on which  
scheme is expected to become operative. \*\* Based on June 29, 1978.  
† At suspension. ‡ Estimated. §§ Shares and cash. ‖ Based on

\* All cash offer. \* Cash alternative. \* Partial bid. \* For capital not already held. \* Combined market capitalisation. \* Date on which scheme is expected to become operative. \*\* Based on June 29, 1978. † At suspension. ‡ Estimated. §§ Shares and cash. †† Based on June 30, 1978.

## PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)	Earnings per share (p)	Dividends per share (p)
Bardon Hill	Mar. 31	1,200 (977)	18.4 (13.7)	7.9 (2.6)
Allen Balfour	Apr. 1	2,478 (737)	6.8 (1.0)	4.33 (4.33)
Barker and Dobson	Apr. 1	312 (499)	0.4 (—)	nil (nil)
John Booth	Mar. 31	330 (304)	0.01 (3.2)	1.97 (1.76)
SFB Industries	Mar. 31	27,250 (27,148)	44.0 (44.0)	7.84 (5.570)
Brady Leslie	Mar. 31	2,380 (1,320)	23.9 (17.7)	5.25 (4.542)
Calder (Dundee)	Mar. 31	546L (219L)	— (—)	nil (nil)
Cattle's (Holdings)	Mar. 31	1,500 (1,220)	4.3 (3.3)	2.2 (2.0)
Chubb and Son	Mar. 31	13,523 (14,091)	17.5 (19.2)	3.572 (3.468)
Cont. and Indust.	May 31	1,820 (1,668)	6.7 (5.8)	6.4 (5.75)
Courts (Furnishings)	Mar. 31	4,893 (4,871)	16.5 (15.4)	3.494 (3.176)
Electrocomp.	Mar. 31	7,960 (6,540)	26.3 (21.7)	5.052 (4.528)
Giltspry	Mar. 31	3,220 (2,190)	9.8 (9.7)	2.9 (2.6)
Godfrey Davis	Mar. 31	3,700 (2,520)	22.3 (11.7)	3.305 (2.994)
Jas. Grant (East)	Jan. 31	788 (683)	17.3 (17.2)	0.873 (0.873)
Gesham House	Dec. 31	271 (250)	3.0 (4.2)	3.0 (3.0)
Halma	Mar. 31	844 (561)	11.8 (8.7)	2.518* (1.258)
Hickling Pentecost	Mar. 31	600 (421)	19.3 (13.5)	7.2 (6.444)
Humphries	Mar. 31	260 (251)	2.3 (—)	nil (nil)
IC Gas	Mar. 31	26,350 (22,200)	42.6 (38.0)	13.25* (8.861)
Maurice James	Dec. 31	379 (155)	1.4 (—)	1.0 (nil)
Leboff (S)	Dec. 31	1,020 (1,166)	4.1 (3.2)	1.76 (1.8)
Leopold Joseph	Mar. 31	668 (680)	21.0 (20.1)	8.808 (7.5)
Leopold Joseph	Mar. 31	4,200 (3,600)	14.8 (12.4)	4.3 (4.29)
MK Electric	Apr. 1	5,948 (6,165)	31.8 (37.5)	6.48 (5.23)
Norcor	Mar. 31	14,512 (12,085)	14.7 (13.9)	4.42 (3.96)
Northern Glidmths.	Feb. 28	364 (316)	6.2 (5.4)	2.087 (1.852)
Premier Old-ops	Mar. 31	327 (157)	0.26 (—)	nil (nil)
Property Holdings	Mar. 31	2,001 (2,001)	8.0 (7.0)	6.387 (5.808)
Regalain Inds.	Mar. 31	1,950L (3,750L)	— (—)	— (—)
Renold	Apr. 2	10,385 (12,367)	17.0 (18.5)	9.441 (8.544)
Renwick Group	Apr. 1	1,042 (470)	13.1 (4.3)	1.4 (1.4)
Seamless	Mar. 31	184 (200)	1.1 (1.3)	2.223 (2.223)
Standard Clutrd.	Mar. 31	126,150 (109,940)	78.9 (69.8)	18.531 (17.484)
Stead and Simpson	Mar. 31	2,230 (1,887)	3.7 (3.3)	2.132 (1.888)
Tecaleont	Mar. 31	3,700 (3,700)	18.5 (18.5)	5.477 (5.477)
Walker and Staff	Mar. 31	181 (181)	7.3 (7.3)	0.374 (0.374)
Weston-Evans	Mar. 31	1,700 (1,411)	14.0 (11.0)	3.050 (2.780)
Wilson Bros.	Mar. 31	1,087 (793)	6.2 (8.9)	1.408 (1.257)
Winturst	Mar. 31	573 (364)	5.9 (2.7)	3.030 (2.984)

## INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)	Interim dividends* per share (p)
Ashdown Trust	May 31	370 (271)	1.3 (1.2)
BAT Industries	Mar. 31	231,000 (215,000)	5.0 (4.0)
Bett Brothers	Feb. 28	1,070 (1,710)	0.767* (0.867)
Blundell-Pingla	Apr. 30	902 (274)	1.14 (0.86)
Brunner Investment	May 31	315 (276)	1.85 (1.6)
CGSB Holdings	Mar. 31	150 (118)	0.44 (0.4)
Cronite Group	Mar. 31	153 (113)	0.504 (0.731)
Eldridge Pope	Mar. 31	353 (320)	2.82 (2.75)
Hardys & Hansons	Mar. 31	797 (784)	2.3 (2.1)
Johnson & Barnes	Dec. 31	89L (20)	nil (nil)
M and G Dual	June 30	347 (293)	6.0 (5.0)
Norfolk Capital	Mar. 31	105 (46L)	0.3 (0.2)
Rakusen	Dec. 31	10 (28)	nil (nil)
SCB Group	Mar. 31	4,422 (3,583)	2.5 (2.5)
Trident TV	Mar. 31	4,671 (3,608)	0.932 (0.548)
Trust Houses Forte	Apr. 30	12,200 (10,400)	2.85 (2.25)

(Figures in parentheses are for corresponding period.) Dividends shown net except where otherwise stated. \* Assuming dividend controls not reimposed. † Comparison nine months. ‡ Loss.

## Rights Issue

LCP Holdings: One-for-four at 72p each.

## Scrip Issues

Central and Sheerwood: One preference for 20 ordinary.

Brady Leslie: One-for-five.

Halma: Eleven-for-ten.

## Offers for sale, placings and introductions

East Anglian Water Company: Offer for sale by tender £2m of 7 per cent redeemable preference stock 1983 at a minimum price of £97.50 per cent.

Metropolitan Borough of Sefton: Placing of £3m of variable rate redeemable stock 1983 at 199.

## APPOINTMENTS

## Schroder Wagg executive posts

Mr. W. F. W. Bischoff has been appointed a director of J. HENRY SCHRODER AND CO. He is managing director of Schroders and Chartered in Hong Kong, Mr. W. R. Holland, Mr. M. A. Cairns, Mr. N. R. Dunford, Mr. N. M. Andrew, Mr. D. N. D. Netherton, Mr. D. P. Palm, Mr. P. R. Sadirir and Mr. L. P. Sedgewick have become assistant directors of J. Henry Schroder Wagg.

Mr. Otto Barthel has been elected a director of DESOUTHER PROTHERS. Mr. Barthel has been in charge of the Desoutter subsidiary company, Desoutter GmbH, in West Germany since its formation in 1963 and in later years has also taken on additional responsibilities in connection with Desoutter enterprises in Holland and Austria.

Mr. W. G. McPhie, former financial director of the Imperial Group, has been appointed in the Board of REVERTEX CHEMICALS as a non-executive director. Mr. McPhie joined Imperial Tobacco, as it then was, in 1943, working in the group's head office and as a management accountant until 1953 when he became a director and secretary of Marden Son and Hall. He returned to group head office as chief accountant, becoming financial director in 1967, a post he held until his retirement last year.

Mr. R. W. Mathias has been appointed a director of MIDDLETOWN FOSTER ANDERSON AND CO.

Mr. Brian Churrier has been appointed director UK and Middle East operations of BENAM AUTOMATIC DOORS. He was previously general manager.

Mr. N. H. Bowcock has resigned as a director of A. J. WORTHINGTON (HOLDINGS) and Mrs. M. E. V. Gibson, and Mr. R. Foster have been appointed directors.

The Secretary for the Environment has appointed the following members of WATER AUTHORITY:

PORTFOLIO MANAGEMENT, the investment division of Samuel Montagu and Co., has appointed Mr. Nigel Davenport and Mr. Derek Bond have been elected vice presidents of the BRITISH ASSOCIATION OF EQUITY INVESTORS FOR 1978-79.

Mr. Martin J. Crawford-Phillips has been appointed to the Board of MARITZ UK.

The Court of LOUGHBOROUGH UNIVERSITY OF TECHNOLOGY has appointed Dr. H. W. French, formerly senior chief inspector at the Department of Education and Science, to the office of the Chancellor and deputy chairman of the Council of the University, succeeding Mr. R. L. Wessel, Professor J. W. R. Griffiths, head of the department of electronic and electrical engineering, has become senior pro-vice-chancellor, in place of Professor L. M. Cantor.

Mr. J. G. Bailey, Mr. C. D. Mitchell, Mr. B. C. Osborn and Mr. J. Sandilands, at present associated members of BUCKMASTER and MOORE, stockbrokers, will join the partnership on July 7. Mr. E. de Belfrage leaves the partnership on that date, and the firm on August 31, and he will become an associate member of GREENFELL and COLEGRAVE, stockbrokers, on September 4.

Mr. Patrick L. Macdonnell has been appointed by JARDINE MATHESON AND CO. as an executive director. He will have responsibility for group financial services.

Mr. C. K. Gray, previously technical director, has been appointed managing director of ASHLOW STEEL AND ENGINEERING COMPANY, a subsidiary of Bridon.

Mr. H. B. Clarke, surveyor (development) for the BRITISH RAIL PROPERTY BOARD, Southern Region, has been appointed estate surveyor (development) North Western Region based in Manchester.

Mr. Peter Rees has left the NATIONAL COAL BOARD to become an international mining consultant, based in London. Mr. Rees, who was NCB's deputy director-general of mining and director of planning and major projects from January 1975 to June 1978, will operate from his new company, Peter B. Rees Mining Consultants.

ENMONT has made the following appointments: Mr. Keith L. Thornberry as administrative services director, and Mr. Clive J. Price, production director.

Mr. Stuart S. Jardine, managing director of Wimpey Asphalt, has

## Changes at Equity and Law Life

Mr. W. R. Taylor and Mr. C. H. R. Wood have been appointed assistant general managers of EQUITY AND LAW LIFE ASSURANCE SOCIETY. Mr. Taylor continues to be responsible for sales and marketing in the UK. Mr. Wood remains in charge of overseas operations and for staff matters and, following the retirement of Mr. E. Yallop, the assistant manager on July 21, for data processing and organization and methods. Mr. C. J. Brocksmo, chief actuary, and Mr. J. P. Smith, investment manager, will have the same seniority as the assistant general managers.

Mr. Donald Urry, director of special projects at DEBENHAM'S, has retired.

M. A. Legrand has been appointed a director of KEYSER ULLMANN HOLDINGS and Mr. H. R. Lee has retired from the Board.

## Folkes Hefo sees fall

Mr. J. W. Hearnshaw, the chairman of John Folkes Hefo said at yesterday's AGM that while the half-yearly results in the current year would exceed the £1.16m earned in the closing six months of 1977 it would still be below the £1.95m earned in the first half.

This was because forgone, building supplies and housing had still made no contribution to profits.

Second half profits should, however, improve with contributions being made by building supplies and housing, resulting in a healthy improvement on last year's depressed £3.1m profit.

## Expansion plans at Comben

With better prospects in sight Comben Group is actively seeking to expand by the purchase of new sites and by the acquisition of other house building companies, says Mr. Leon Roydon, the chairman in his annual statement.

Demand for new homes has accelerated significantly in the early part of 1978 and after four years of decline, increased sales are being obtained and these two trends should be reflected in the current year's trading results provided no additional political influences are brought to bear on the industry.

The French house building operation has suffered from a year with lack of continuity due to the unavailability of suitable land in the Paris area—however early this year the position has been rectified by the purchase of a large site. In Portugal, the political situation has improved resulting in the sale of all stock houses and flats and there is the prospect of satisfactory sales for the current year.

Net assets per share at 36.59p (27.7p) have increased substantially following the purchase for cancellation of £4,123,723 of the 12 per cent convertible unsecured loan stock and borrowings have been reduced by over £2m. The land bank continues to be in excess of 6,000 plots which is sufficient for four years at current production levels.

As reported on June 2 pre-tax profits rose from £1.26m to £1.3m in the year to March 31 on turnover of £24.66m (£18.8m).

The groups ultimate holding company is London Merchant Securities. Meeting Bristol on July 27 at noon.

## Caution from Sterling Industries

Following a sharp improvement in 1977-78 trading profit of Sterling Industries, Sir Nicholas Cayzer, the chairman, says in his annual statement that it remains to be seen, notwithstanding satisfactory order books at present, whether this level of performance can be sustained this year.

Nonetheless, as to the longer term, he tells members he is confident of the continuing progress and prosperity of the group.

As reported on June 20, pre-tax profits advanced from £506,175 to £523,176 for the year to March 31, 1978, excluding £112,000 (£11,999) of Crewkerne Investments. Turnover was better at £4.88m (£4.18m).

## Amos Hinton warns on first half

Difficult trading conditions for capital expenditure of £2.7m over Amos Hinton and Sons, the food the next 15 months. A considerable part of this will be spent on the implementation of "the Company Plan," which was developed during the year as a positive programme of action by which the group will maintain its profitability in the face of severe competition within the food trade, the chairman explains.

As reported on May 19, after an 83.4 per cent increase at 28 weeks, pre-tax profits finished ahead by 43 per cent to £1.73m for the year to March 4, 1978, for sales excluding VAT, were £61.06m (£52.88m).

On a CCA basis, taxable profits are reduced to £1.3m (£0.73m). After adjustments on cost of sales will reflect the company's policy of operating medium-sized, conveniently-located supermarkets, the chairman states. Capital is also available for the development and the Thornaby-based department.

Mr. Hinton reports that competition intensified before the start of the second half and there is no sign that "the price war" is abating. The need to maintain a price-competitive position has eroded gross margins, although an improvement in net margins is due to a more cost-effective use of resources.

The directors have authorised

A statement of source and application of funds shows working capital increased by £339,143 (£148,821).

Sir Nicholas reports that the most significant improvement has come from Huntley and Sparks where the fine production capacity has been turned to good account and given an adequate flow of incoming orders, he believes this level of performance can be maintained.

During the period, Sterling Instruments incurred a loss—over the years this company has not been able to work its way into developing products of sufficient profit margin or demand, the chairman says.

Steps have now been taken to restructure the management with the objective of turning the unsatisfactory position firstly into one of stability and thereafter progress, he adds.

At June 1, 1978, the Cayzer Trust Co. held 66.6 per cent of the equity.

Meeting, Cayzer House, EC, July 25, at noon.

STENHOUSE/HOGG ROBINSON

Hogg Robinson Group and Stenhouse Reed Shaw Group are to merge their insurance broking interests in Southern Africa and will be operating under the name of Stenhouse Hogg Robinson (Pty).

## Alliance Investment Company, Limited

(Member of The Association of Investment Trust Companies)

Highlights of Annual Report for year to 30th April, 1978

	1978	1977
Total Assets	£16.9m.	£16.4m.
Assets per share	139p	120p
F.T.-Actuaries All-Share Index	208	181
Dividend	3.00p	2.45p

## Geographical Spread of Portfolio

	1978	1977
U.K.	56%	56%
U.S.A.	19%	19%
Far East	20%	20%
Europe	3%	3%
Elsewhere	2%	2%

It is hoped that next year the Company will again provide an increase in earnings and dividend.

Copies of the Report and Accounts may be obtained from the Secretary.

The Foreign and Colonial Investment Trust Co. Ltd. The Cardinal Investment Trust Ltd. Alliance Investment Co. Ltd. F. & C. Eurotrust Ltd. Foreign and National Investment Fund S.A. Anglo-Nippon Export Fund

7/2 Laurence Pountney Hill, London EC4R 0BA Telephone No. 01-623 4680

## Mornington Building Society

## MORNINGTON INCREASES INTEREST RATES

At the 112th Annual General Meeting on 28th June 1978, Mr. Eric G. Samson, F.R.I.C.S., the Chairman, announced that as from the 1st July the interest rate on shares would be increased to 7.50%, equivalent to 11.19% where the investor suffers tax at 33p.

The Annual Accounts show a growth of almost 20% excellent progress in a difficult year in which it was necessary to change interest rates no less than four times. New advances at 27 million were a record during the year and ratio improved to 4.28% of total assets during the year and liquidity at the end of the period was over 19%. Management expenses remained unchanged at 82p per £100 of total assets, a substantially lower figure than the average for Building Societies as a whole.

Improvements to office premises have enabled the



## WORLD STOCK MARKETS

## Wall St. pre-holiday drifting

## INVESTMENT DOLLAR

Effective 11:00 a.m. (EST) 1978

STOCKS DRIFTED lower in flow

trading on Wall Street yesterday,

when many traders had already

been in the Fourth of July

holidays. The market will be open

Monday but closed Tuesday for

Independence Day.

The Dow Jones Industrial

Average closed 2,880 at 118.35,

making a loss of 4.07 on the week.

The NYSE All Common Index, at

\$58.66, closed 3 cents on the day

and 24 cents on the week.

Several large block trades late

in the session signalled final end

of quarter portfolio window-

dressing by the institutions.

As the Stock Market opened,

Chibank raised its prime rate to

9 per cent from 8 1/2 per cent -

its highest level since January

1977.

After the close, the Fed

announced a quarter point rise in

the Discount Rate to 7 1/2 per cent.

Inflation worries persisted as

the Labour Department reported

Consumer Prices rose 0.9 per cent

in May, or at a 10.8 per cent

annual rate, the same as in April.

In other economic news

Farm Prices rose by 1 1/2 per cent

in June from the previous month

- Factory Orders rose at a

moderate 0.7 per cent in May -

and the dollar was little changed

in Europe.

Inland Container added \$2 at

\$32.15, up \$1 to \$41, will

begin at \$33 a share after soon

in the \$41-\$43 range.

The American SE Market

Index moved down 0.14 to 143.35,

making a loss of 1.72 on the

week. Banks 0.25 to 27.94 and

Papers 0.25 to 113.75. But Oil and

Gold dropped 2.6 to 140.70 and

Gold 3.1 to 141.10.

In the Oil Group, Husky Oil

lost 80¢ to 38.50 - Alberta Gas

Trunk said it holds 35 per cent

of Husky shares.

PARIS - Firm with strength of

France attracting buying.

Senate's voting of an amend-

ment to Government's share in

vestment Bill which will allow

small investors to enjoy two tax

concessions at same time also

helped market.

Thomson-Brandt rose Fr2 to

197 on 24 per cent advance in 1977

consolidated profit.

BRUSSELS - Mixed in quiet

trading.

On Foreign stocks, UK and U.S.

also mixed. Germans and Dutch

rose, Canadians little changed,

French steady. Gold Mines fell.

AMSTERDAM - Mostly firmer.

Regularly traded. Most

State Loans steady.

GERMANY - Mostly firmer in

lively trading.

Stores gained between DM 1

and DM 2.

Bond Market more stable

following Bundesbank's decision

to increase rediscount quotas.

Public Authority Bonds narrowly

mixed. Regularly traded.

nominal DM 10m of stock.

Mark Foreign Loans slightly

firmer.

SWITZERLAND - Maintained in

continued quiet trading.

Domestic and Foreign Bonds

steady.

Dollar stocks narrowly mixed in

trading. Dutch Internationals

little changed, small gains and

losses in Germans.

TOKYO - Below the best after

late profit taking. Volume 410m

shares.

FRIDAY'S ACTIVE STOCKS

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## INTERNATIONAL FINANCIAL AND COMMODITY NEWS

Jobs saved  
at Kockums  
by Nordoe  
ship order

By Our Nordic Correspondent

STOCKHOLM, June 30. A new ship order brought some relief to Kockums, the hard-pressed Swedish shipbuilder, yesterday, and the management withdrew redundancy notices for 900 employees. Their jobs are now safeguarded until autumn, next year, it stated.

The Nordoe Shipping Company ordered a third 10,000 dwt roll-on/roll-off vessel after receiving state credit guarantees. Mr. Nils Hugo Hallenborg, Kockums' chairman, acknowledged the order offered only a short-term solution to the yard's difficulties but he judged the chances of obtaining further new orders as very good.

The first of the two large gas carriers Kockums is building on its own account was taken from the building dock for fitting yesterday. It is due to be completed by the middle of next year.

Earlier this month, Kockums obtained a \$200m credit facility from a banking group led by Skandinaviska Enskilda Banken to finance construction of the two LNG vessels. This loan was guaranteed by the Swedish State.

Korf-Stahl  
losses rise

BADEN-BADEN, June 30. Korf-Stahl, the steel company, consolidated losses totalled DM 42m (\$20.2m) in 1977, widening from the DM 22.8m loss of 1976.

Consolidated turnover amounted to DM 827m against DM 628.7m the previous year.

The parent company net loss rose to DM 20m on sales of DM 45.8m from the 1976 loss of DM 8.13m on sales of DM 28.7m.

World group turnover totalled about DM 1.5bn against DM 1.6bn the previous year.

The First Viking  
Commodity Trusts

Commodity OFFER 39.5  
Trust BID 37.5

Double OFFER 79.0  
Option Trust BID 74.0

Commodity & General  
Management Co Ltd  
8 St George's Street  
Douglas Isle of Man  
Tel: 3624 4652

State backing  
for Sodra loan

BY WILLIAM DUFFLORCE

STOCKHOLM, June 30.

THE SWEDISH Government yesterday approved a five-year guarantee for a Kr 200m (\$43.5m) loan to Sodra, the southern Swedish forest owners' company. Sodra had sought guarantees for Kr 300m but the Cabinet postponed its decision on the remaining Kr 100m.

At the same time, the Government authorised Sodra's northern counterpart, NCB, to lift Kr 260m from the Kr 400m state loan approved by Parliament. The loan had been made conditional on a change in NCB's top management, a fresh capital injection from its owners and agreement with both domestic and foreign banks on loan extensions.

Mr. Nils Aspling, the Minister of Industry, stated that Mr. Sven Lindqvist, retiring managing director of the Swedish co-operative banks' central bank, would replace Mr. Gunnar Hedlund, the former Centre Party leader, as chief executive of NCB.

Sodra experienced a Kr 462m profits collapse last year from a pre-tax profit of Kr 76m in 1976 to a loss of Kr 386m (\$84m) in 1977. Its turnover, however, rose by some 38 per cent last year, coupled with a fall in the equity debt ratio to 10 per cent and the low liquidity called for "strict vigilance on the part of the Board to the company's financial situation and profitability."

The Kr 200m credit guarantee granted to Sodra yesterday comes from the Kr 900m in guarantees which Parliament authorised this spring for the Swedish pulp and paper industry. A Kr 90m guarantee was previously granted to Vaernskog, another pulp and paper manufacturing concern belonging to forest owners.

Sodra is committed to a Kr 25m investment in a new pulp mill, which is to be built at Moensstern. The pulp mill is scheduled to start up at the end of 1979 and Sodra has been looking for a partner to help it finance the planned paper factory.

## Sales rise at Winefood

BY JOHN WICKS

ZURICH, June 30.

TURNOVER of Winefood SPA, of Corsica, a leading Italian producer and distributor of wines, rose by some 38 per cent last year to L47.5bn (\$55.5m). Group sales were up by some L10bn to about L112bn, according to Credit Suisse, which came to control Winefood following the channeling of funds from its Chiaso branch into Italy via the Liechtenstein company, Texon-Finanzanstalt.

The Winefood company, over one-third of whose sales are accounted for by exports, finished 1977 with a balanced profit-and-loss account. Rationalisation measures and a further intensification of export promotion are expected to bring about a further improvement of profitability this year.

THE SWISS-BASED Nestlé group is to take over the Argentine company, Fruticon, a producer of fruit juices, writes John Wicks from Zurich. The acquisition, which has received Argentine Government approval, will cost \$1m, and Nestlé plans to invest a further \$2m in Fruticon.

The subsidiaries can disclose everything they wish to their parent concerns in Germany, but if there is a danger of damaging rumours, a joint control with the Luxembourg Banking Company may be undertaken, M. Poon said.

Northern  
Telecom  
bids for  
Data 100

By Robert Gibbens

MONTREAL, June 30.

CANADA'S largest telecommunications equipment manufacturer, Northern Telecom, has changed its mind and is bidding \$19.25 a share for all the common shares of Data 100 Corporation, of Minneapolis, that it does not already own. Telecom now owns 1.6m or 31 per cent of the Data 100 shares. Early this month it said that it would not counter-bid for the company.

Northern Telecom's bid compares with \$17.50 cash from McDonnell Douglas. Data 100 said in Minneapolis it would issue a statement later today.

German bank  
agreement with  
Luxembourg

LUXEMBOURG, June 30.

AGREEMENT has been reached between the Luxembourg authorities and the West German Banking Supervisory Agency in Berlin on the passing on of general information about German bank subsidiaries here.

Since February, German banks have been passing certain figures on to their parent banks in Germany which can then be passed on to the German authorities.

This arrangement means that the German authorities no longer have the impression that the Euro-market activities of German banks here could be a danger to their parent concerns.

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United Nuclear rules  
out arbitration

FALLS CHURCH, VA, June 30.

UNITED NUCLEAR Corporation will not enter into any arbitration proceedings in its dispute with General Atomic Company, a venture of Gulf Oil Corporation and Royal Dutch/Shell Group, over uranium delivery contracts.

United Nuclear said in a court order, it said today.

HUSKY OIL  
Mr. Blair leaves the door open

BY ROBERT GIBBENS IN MONTREAL

ALBERTA Gas Trunk Line Company, Alberta's largest gas transmission company and a sponsor of the Canadian section of the Alaska Highway gas pipeline project, now regards itself as the largest single shareholder of Husky Oil Limited. If any other company challenges that position it will buy more stock to give it 51 per cent of the Husky equity.

But as forecast in the Financial Times last week, the door is left open to the Nielsen family of Cody, Wyoming, Occidental Petroleum, Petro-Canada and perhaps others to remain or become Husky minority shareholders and participate in AGTL's plans for developing Husky's assets — at least in Canada.

Mr. Robert Blair, head of AGTL, left no doubt in his statement from Calgary of the spirit of compromise behind his company's acquisition of 35 per cent of Husky's 11m outstanding shares in the open market since early June. The cost of those purchases was over \$300m.

Specifically, Blair said he was from the Bank of Nova Scotia. Existing lines of credit with the Canadian banks were not affected.

Most of the Husky shares bought came from U.S. holders, and were bought at an average cost of \$25.11. No other company was involved in the purchases of Husky shares.

Mr. Blair said that no commitment of any kind has been made to any person or other company on the future ownership of the shares. This was a reply to rumours in Toronto that the real purpose of the acquisitions was to sell the shares to Petro-Canada.

Blair also made clear that AGTL now controls Husky effectively as the largest single shareholder. Reading between the lines of his statement, both the federal and Alberta governments were aware of his actions and intentions.

The share-exchange bid by Occidental Petroleum of the and when he goes to see the

HUSKY OIL put out a statement in Calgary this morning, saying it was "pleased" to have Alberta Gas Trunk Lines as its principal shareholder. Husky president Mr. James A. Nielsen, said Husky believed that AGTL's ownership could be "beneficial in accomplishing the goals we have set for Husky as well as providing the company with new opportunities for growth and development."

Trading reopened in Husky Oil today at U.S.\$33.1, down U.S.\$1.01, on the American Stock Exchange in New York and at C\$37, down C\$11 in Toronto.

U.S. equivalent to C\$54, technical analysts before the Foreign Investment Review Agency in Ottawa for a recommendation on whether it would be of "significant benefit" to Canada, now appears to be void. The CSE's bid for all Husky shares from the national oil company, Petro-Canada, had been withdrawn earlier when it was clear that AGTL had bought 35 per cent of the Husky shares.

Mr. Blair said the acquisition of Husky by Occidental Petroleum-Canada or others is welcome as long as Husky control remains in its hands or in the hands of U.S. holders.

Thus, after nearly two weeks of bid and counter-bid, charge and counter-charge, rumours and

contrary rumours, the remaining issue of the Husky assets of more than C\$800m are to be developed—particularly its heavy oil reserves in the Lloydminster area of South-West Saskatchewan. Mr. Blair said that any expertise which Occidental could bring to the problem of economic extraction of these reserves would be welcome.

He says that Husky has "very great potential for the future," and when he goes to see the

share exchange offer was preferable to U.S. holders rather than the cash offer, after allowing for the lower Canadian dollar for U.S. tax reasons. The problem is to be studied by Occidental and U.S. shareholders of Husky. During the bidding tussle, it became clear that the share exchange offer was preferable to U.S. holders rather than the cash offer, after allowing for the lower Canadian dollar for U.S. tax reasons.

It produces small quantities from these reserves, but from conventional and secondary recovery techniques, only 10 per cent of a reservoir can be recovered. This is because it is too thick to be pumped to the surface. The technical challenge is to use "tertiary" methods so larger percentages of the reservoir can be recovered. The oil then has to be processed into a crude oil acceptable to a conventional refinery.

Husky has oil and gas production facilities on both sides of the border and owns also a site fabricating company in the U.S. and several other non-oil-and-gas assets. Its last annual report said that its heavy oil reserves placed the Lloydminster area at 16bn barrels.

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## Coca-Cola fructose plan

NEW YORK, June 30.

COCA-COLA, in a move that could have broad implications for the sweetener industry, has told its bottlers that they may use a high level of high-fructose corn sweetener as a substitute for sugar in its non-Coke products.

Coke is understood to be informing bottlers that they may use a high level of fructose in their non-Coke brands—Sprite, Mr. Pibb and Fanta—to 75 per cent of the total nutritive sweetener content from the current maximum of 25 per cent. Coca-Cola confirmed the change but gave no details about the new fructose standard.

While the change does not apply to the Coca-Cola brand itself, the step has led analysts to speculate that sweeter ingredients for that product might be modified in coming years.

The type of fructose Coke will allow in its non-Coke generally sells for 10 per cent to 15 per cent less than sugar, making the corn sweetener a cost-saver for Coke and its bottlers.

The change could have an impact on Coke's marketing plans and current negotiations with bottlers. A switch to fructose also could affect current negotiations in Washington over sugar tariffs.

The potential for a stronger fructose market appears to have had an impact on the stock market, where Standard Brands and Archer-Daniels-Midland, two leading fructose producers, have recently been among the most active stocks on the New York Stock Exchange. A. E. Staley Manufacturing, another major fructose maker, also has been traded actively.

## Time-Inland agreement

NEW YORK, June 30.

THE executive committee of Time Inc. and the Board of Inland Container Corporation have approved definitive agreements for the merger of the two companies into a new entity, Inland Container subsidiary of Time Inc.

The merger, first announced on May 19, is still subject to several conditions, among them approval by the shareholders of the two companies and subsequent approval by the directors of Inland.

The merger agreements provide for the exchange of a combination of Time Inc. securities for Inland's common stock.

Alternatively, Inland Container shareholders will be able to receive a cash payment of \$35 per Inland Container share pursuant to the merger, subject to the limitation on the number of Inland Container shares exchanged for cash.

Time Inc. expects to announce within the next two weeks cash tender offer for a maximum of 2m Inland Container shares or about 25 per cent of its outstanding common stock at a share.

AP/DJ

COMMODITIES/Review of the week  
U.S. copper price cut again

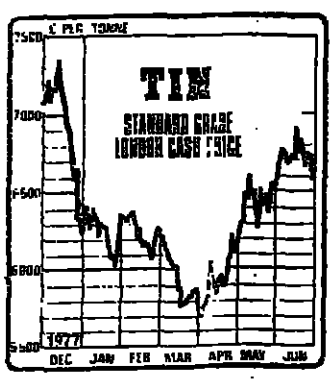
BY OUR COMMODITIES STAFF

COPPER LED a general downturn in the metal markets this week. On the London Metal Exchange cash wirebars closed last night \$13.25 down at \$13.50 a tonne. This is the price level prevailing before the invasion of Shaba province in Zaïre in May.

In the U.S. two producers announced further cuts in their domestic selling prices down to below 63 cents a lb from 65 cents. This is the second cut in U.S. copper prices in the past month and more than twice, not a price increase in 18 cents after the Zaïre flare-up.

Reaction against the earlier surge in prices upwards is still thought to be the main influence behind continued speculative selling. Although supplies are disrupted in one way or another there has been little consumer buying interest to resist the speculative selling. In this mood the market shrugged off an unexpectedly heavy fall in warehouse stocks. Next week Copper (the Council of Copper Exporting Countries) will be meeting in Kinshasa to review the market situation. Chile is to be urged to cut its production back, but so far has given no indications that it will do so.

The fall in copper, and a firmer tone in sterling, brought cash tin declined by \$175 to \$6,720 a tonne discouraged by news of a new attempt to settle the dispute that has closed the



Organisation confirmed yesterday that the start of the international tin agreement's system of payments for its reserve stock fund would be delayed for three months until October 1 because the U.S. has so far failed to ratify its membership.

The cocoa and coffee markets were very quiet. In the absence of any significant news the September cocoa price traded within a 10c range and finished the week \$23.50 up on balance at \$1,806.5 a tonne. Meanwhile coffee traders shrugged off a small cut in the Mexican export price and rumours, later denied, that El Salvador had followed suit. At last night's close \$11.475 a tonne down \$22 on the day and \$6 on the week.

But rubber prices fell back sharply in what many dealers saw as a reaction against an overdue rise in recent weeks. News of fighting between Cambodia and Vietnam had only a temporary impact. Chartist selling encouraged the fall which left the RSS No. 1 spot price 4.5p lower on the week at 54.5p a kilo.

In Canberra yesterday Mr. Ian Sinclair, the Australian primary industries minister announced that the wool floor price had been raised to 298 cents a kilo for the 1977-78 season from 294 cents for 1977-78. He said the market could well support the 5 per cent rise. The Australian wool price currently stands at 310 cents a kilo.

## MARKET REPORTS

## BASE METALS

COPPER—Barely changed on the London Metal Exchange. After opening at \$13.25, it fell to \$13.20, then moved up to \$13.25 before settling at \$13.25. Warehouse stocks of copper wirebars rose to 1,710 tonnes from 1,680 tonnes the previous week.

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The late kerb close was \$29.35, the fall on the week around 5.5p. Turnover 3,400 tonnes.

LEAD—Firmly steady but with a slight rise in the afternoon. Forward metal traded within \$22 and \$23, with forecasts of a fall to \$21.50. Stocks are expected to show a modest rise to 2,500 tonnes.

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## SILVER

Silver was 4.5p an ounce lower for spot delivery in the London metal market yesterday at \$23.75, U.S. cent. The price of silver rose to \$23.75 from \$23.70, then moved up to \$23.75 before settling at \$23.75. Warehouse stocks of silver wirebars rose to 1,710 tonnes from 1,680 tonnes the previous week.

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## WHEAT

Wheat was 4.5p an ounce lower for spot delivery in the London metal market yesterday at \$23.75, U.S. cent. The price of wheat rose to \$23.75 from \$23.70, then moved up to \$23.75 before settling at \$23.75. Warehouse stocks of wheat wirebars rose to 1,710 tonnes from 1,680 tonnes the previous week.

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## WOOL FUTURES

WOOL—The market was dull and featureless. Bids reported. The price of wool rose to \$23.75 from \$23.70, then moved up to \$23.75 before settling at \$23.75. Warehouse stocks of wool wirebars rose to 1,710 tonnes from 1,680 tonnes the previous week.

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Grains and  
cocoa rise:  
sugar weak

Grains and cocoa rose, while sugar was weak. The price of grains rose to \$23.75 from \$23.70, then moved up to \$23.75 before settling at \$23.75. Warehouse stocks of grains wirebars rose to 1,710 tonnes from 1,680 tonnes the previous week.







## CURRENCY RATES

June 30	Special Drawings Rights	Euro Unit A.C.U.
American dollar	0.66632	0.66
British dollar	1.23953	1.23
Canadian dollar	1.39585	1.39
Dutch guilder	—	16.5
French franc	40.459	60.6
German mark	6.49253	7.03
Italian lire	2.57249	25.0
Japanese yen	2.76725	2.71
Norwegian krone	5.57793	5.56
Portuguese escudo	1059.23	106.
Spanish peseta	233.732	234
Swedish krona	4.67718	4.70
Swiss franc	97.6896	97.7
U.S. dollar	5.57147	5.56
U.S. dollar	2.76725	2.71

June 30	June 30	June 30
1-11	77.8	219.2
1-12	81.4	241.3
1-13	85.0	263.4
1-14	91.9	285.5
1-15	94.9	317.6

months 5.35-5.45 per cent; six months 5.45-5.55 per cent; nine months 5.55-5.65 per cent; one year 5.65-5.75 per cent. \* Rate of exchange as of June 30, 1954.

Source: Asiatik rates are closing rates as of June 30, 1954.

STATISTICS provided  
data Statistics Institute

Income			Cheap
Equity	Conv.	Diff.	Curr.
5.1	4.5	- 0.5	+
10.5	9.5	- 0.8	+
0.0	92.7	\$69.9	+6
8.3	5.1	- 4.9	+
10.5	4.6	26.9	-
8.2	9.0	1.0	-
9.2	6.7	- 0.8	+1
42.6	42.1	- 0.3	+
36.6	53.0	12.0	-
7.2	7.5	0.3	-
27.8	37.1	15.1	-2

convertible expressed as per cent. of nominal of convertible or the net amount of convertible or the net amount of the underlying, expressed as per cent. of the net







## OFFSHORE AND OVERSEAS FUNDS

[illegible]

**CLIVE INVESTMENTS LIMITED**

1 Royal Exchange Ave., London EC3V 3LU. Tel.: 01-293 1111

Index Guide as at 20th June, 1978 (Base 100 at 14.1.77)

Clive Fixed Interest Capital .....	123.91
Clive Fixed Interest Income .....	114.90

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**CORAL INDEX:** Close 458.463

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**INSURANCE BASE RATES**

† Properly Growth .....	9 3/4 %
† Vanbrugh Guaranteed .....	9.37%

\* Address shown under Insurance and Property Bond Table.







## INSURANCE

**PROPERTY—Continued****INV. TRUSTS—Continued****FINANCE, LAND—Continued**[illegible][illegible]

STOCK		PRICE		VOLUME		MARKET	
STOCK	PRICE	STOCK	PRICE	STOCK	PRICE	STOCK	PRICE
10	1.00	10	1.00	10	1.00	10	1.00
11	1.10	11	1.10	11	1.10	11	1.10
12	1.20	12	1.20	12	1.20	12	1.20
13	1.30	13	1.30	13	1.30	13	1.30
14	1.40	14	1.40	14	1.40	14	1.40
15	1.50	15	1.50	15	1.50	15	1.50
16	1.60	16	1.60	16	1.60	16	1.60
17	1.70	17	1.70	17	1.70	17	1.70
18	1.80	18	1.80	18	1.80	18	1.80
19	1.90	19	1.90	19	1.90	19	1.90
20	2.00	20	2.00	20	2.00	20	2.00
21	2.10	21	2.10	21	2.10	21	2.10
22	2.20	22	2.20	22	2.20	22	2.20
23	2.30	23	2.30	23	2.30	23	2.30
24	2.40	24	2.40	24	2.40	24	2.40
25	2.50	25	2.50	25	2.50	25	2.50
26	2.60	26	2.60	26	2.60	26	2.60
27	2.70	27	2.70	27	2.70	27	2.70
28	2.80	28	2.80	28	2.80	28	2.80
29	2.90	29	2.90	29	2.90	29	2.90
30	3.00	30	3.00	30	3.00	30	3.00
31	3.10	31	3.10	31	3.10	31	3.10
32	3.20	32	3.20	32	3.20	32	3.20
33	3.30	33	3.30	33	3.30	33	3.30
34	3.40	34	3.40	34	3.40	34	3.40
35	3.50	35	3.50	35	3.50	35	3.50
36	3.60	36	3.60	36	3.60	36	3.60
37	3.70	37	3.70	37	3.70	37	3.70
38	3.80	38	3.80	38	3.80	38	3.80
39	3.90	39	3.90	39	3.90	39	3.90
40	4.00	40	4.00	40	4.00	40	4.00
41	4.10	41	4.10	41	4.10	41	4.10
42	4.20	42	4.20	42	4.20	42	4.20
43	4.30	43	4.30	43	4.30	43	4.30
44	4.40	44	4.40	44	4.40	44	4.40
45	4.50	45	4.50	45	4.50	45	4.50
46	4.60	46	4.60	46	4.60	46	4.60
47	4.70	47	4.70	47	4.70	47	4.70
48	4.80	48	4.80	48	4.80	48	4.80
49	4.90	49	4.90	49	4.90	49	4.90
50							

[illegible][illegible][illegible]

1	
N	
Dir.	TM
500	1321.7
501	71.51
502	12.87
503	2.0
504	1418.3
505	1.4
506	4.2
507	2.2
508	4.5
509	1.7
510	5.3
511	1.9
512	4.0
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679	1.6
680	1.6





# FINANCIAL TIMES

Saturday July 1 1978



## MAN OF THE WEEK

### Shades of opinion

BY JUREK MARTIN

IF Allan Paul Bakke had not discovered rather late in life that he wanted to be a doctor, he would never have emerged as an American national hero or villain, depending on the point of view. But the 38-year-old white engineer achieved precisely that status this week when the United States Supreme Court, perhaps its most momentous civil rights ruling of the last generation, found that he had been unfairly discriminated against because of his race but simultaneously directed that it was right and proper for authorities to take account of race in seeking to remedy the adverse consequences of past prejudice.

The saga really began on July 1, 1973. By that date, Allan Bakke had become frustrated and embittered. Before then his life had proceeded successfully, if unspectacularly: Minnesota-born of Norwegian ancestry, burly and blonde in the Scandinavian manner, he had graduated from the state university as an engineer with high marks, gone on to repay his military scholarship by serving four years with the marines, including a stint in Vietnam, and retiring as a captain, and had worked for a half-dozen years with a NASA contractor out in California.

He had also been doing hospital volunteer work in his spare time, which had sparked

this late blooming ambition to switch from engineering to the medical profession.

Over the previous year, fortified by some promising aptitude test results, he had applied for admission to about a dozen medical schools, but had been turned down by all of them, mostly because of his qualifications made him a borderline case in the hot competition for scarce places and partly because he was a little old.

But Allan Bakke discerned a different reason for his rejection by the medical school of the University of California at Davis, just outside Sacramento, the state capital. So, on July 1, he sat down and wrote his critical letter to the Chairman of Admissions of the school, the key part of which ran as follows:

"Applicants chosen to be our doctors should be those presenting the best qualifications, both academic and personal. Most are selected according to this standard. But I am convinced that a significant fraction is judged by a separate criteria (sic). I am referring to quotas open or covert, for racial minorities. I realise that the rationale or these quotas is that they attempt to atone for past racial discrimination by insuring a new racial bias in favour of minorities is not a just situation."

He was specifically alluding to the fact that the Davis School, since 1969, set aside a number of places for members of minority groups. In 1973, the average undergraduate grade marks of the 16 representatives of ethnic minorities admitted under this special programme out of a total of 100 available places were well below Allan Bakke's. Encouraged, ironically, by a man who was at the time a member of the Davis admissions staff, he filed suit and became the symbolic leader of what many observers saw as a "white backlash" against a great civil rights legislation the preceding 20 years. The university's Superior Court sued him, ordering the university not to consider race in assessing admissions, and thus set the stage for the supreme court ruling.

In the end the Supreme Court reflected the national visions and managed to give at least half a loaf to all sides. It set six different opinions, with a nine justice split every which way and sometimes in contravention of their supposed political beliefs. But the nub of their decisions was that, though the quota system administered by the Davis school was wrong, race should be a legitimate factor in plans to encourage ethnic diversity and to order that Allan Bakke be admitted to the Davis medical programme in the autumn, an opportunity which, he says, he will avail himself of; but so his ends report, older and wiser he was in the white heat of frustration almost exactly 5 years ago.

## Citibank prime rise means dearer loans

BY STEWART FLEMING

NEW YORK, June 30.

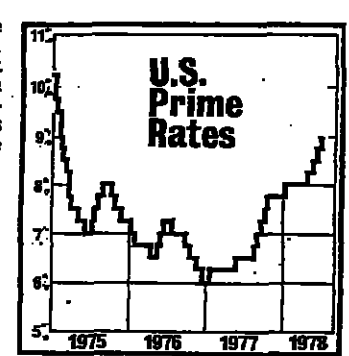
ANOTHER GENERAL increase in the cost of borrowing from U.S. commercial banks was set in motion this morning when Citibank announced an immediate increase to 9 per cent in its prime rate—the third such rise in a month.

The increase, which takes the prime from 8 1/2 to 9 per cent, began spreading rapidly with major competitors, such as Morgan Guaranty and Manufacturers Hanover, rapidly following suit.

Later in the day the Federal Reserve Board announced that the Central Bank was boosting its discount rate—the rate it charges member banks for loans—from 7 per cent to 7 1/2 per cent. The increase has been anticipated on Wall Street.

Coupled with the other news on the monetary front—last night's unfavourable money supply growth data from the Fed—the prime rate announcements cast a pall over the bond market.

These have been under con-



Board's discount rate is now confidently predicted as banks are making increased use of this cheap money facility.

But it is widely perceived that the Fed is lagging behind the market rather than aggressively trying to tighten credit conditions.

Many economists fear the Fed has been allowing too rapid an expansion of the monetary base recently, which will translate into continued money supply growth at rates above its target and reinforce inflationary pressures already evident in the economy.

Over the past six months the narrow M1 measure of the money supply has been growing at 8 per cent, well above the Fed's long-range target of 6 1/2 per cent.

Wall Street is divided on the outlook for interest rates in the second half of the year. Some economists predict that short rates will continue to rise during the year. Others expect interest rates to peak out in the next couple of months.

## Food and housing push up U.S. living costs

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, June 30.

THE U.S. cost of living rose again steeply in May, mainly because of the soaring cost of food and housing.

The consumer price index increased by 0.9 per cent, the same as in April. This means that over the last three months the index has risen at a compound annual rate of 11.3 per cent.

The food component rose by 1.5 per cent, a little below April's 1.8 per cent advance but still the second largest monthly increase of the year to date.

Fresh fruit prices were more than 6 per cent higher, vegetables were up 7.5 per cent and beef 2.5 per cent, the latter at least down on April's 6.6 per cent jump.

The housing index rose by 1 per cent in the month, with utility and financing costs in particular recording much sharper increases. Over the last three months housing costs have been rising at a 12 per cent annual rate.

The Carter Administration has

been painstakingly warning that the May figures would be bad, largely because of the food sector, but has been holding out the hope of some relief from double-digit inflation in the months ahead as food prices weaken.

Threat posed

Nevertheless, inflationary figures such as those published today clearly put additional pressure on the Administration's economic policies at a time of considerable debate over what remedies would work.

Yesterday, Mr. G. William Miller, the Fed chairman, specifically spoke about delaying next year's scheduled increase in the Federal minimum wage, but he agreed with Mr. Michael Blumenthal, Treasury Secretary, that such action was politically inadvisable.

He even acknowledged that the recent increase in interest rates posed a threat to continued

economic growth. It would take tremendous skill over the next few months to avoid crippling the economy.

Dr. Arthur Okun, of the Brookings Institution, chairman of the Council of Economic Advisers under President Johnson, specifically charged that the Fed's tight money policy ran a severe risk of inducing a recession either late this year or early next.

Dr. Okun released a special Brookings paper on his favourite scheme—the so-called "tax-based incomes policy," a variation of which also has been pushed by Dr. Henry Wallich, the much more conservative member of the Fed's board of governors.

The Republican Party, sensing a profitable issue in the mid-term elections, is attacking the President's economic policies, while advocating huge tax cut programmes of its own and effectively tying up in Congress Carter's already twice-reduced tax package.

## General Electric joint venture

BY MAX WILKINSON

GENERAL ELECTRIC is to become a junior partner in a joint venture with a U.S. process control and control valve company.

It plans to merge GEC Marconi Process Control with Fisher Controls, a subsidiary of Monsanto, to form a new company which on last year's figures would have a turnover of £200m.

About a third of this would be contributed by the GEC subsidiary and two-thirds by Fisher. The shareholding will reflect this division.

The new company will have about 11,000 employees, half of these in the U.S. and half in the UK.

Although GEC will be the junior partner, it expects to take an active part in the management, particularly of the control and instrumentation side of the business.

The proposal still has to be ratified by the Boards of the parent companies, before the new company can become operational, probably at the start of next year.

The new company, aiming to provide valves and process control and measuring equipment for a whole range of industries, will start from a base of installations in the petro-chemical and paper industries.

One reason for Fisher's interest in allying itself with GEC is that process control is already being used in the electronic fields in which other parts of Marconi already have a worldwide reputation.

News analysis, Page 3

## Probe into Lever soap prices

BY OUR CONSUMER AFFAIRS CORRESPONDENT

PRICES charged by Lever Brothers for a wide range of soaps and detergents are to be investigated by the Price Commission.

This is the first time that the commission has specifically investigated a Unilever subsidiary although, given its emphasis on markets dominated by a few big companies, it was always likely that eventually it would concentrate on one of Unilever's grocery companies.

The commission, which also said yesterday that it was to investigate a price increase submitted by Royal Doulton Tableware, seems particularly interested in Lever's policy of promotional price-cutting.

This manifests itself in the shops in packs flashed with their special price or with a coupon offering a discount on the next purchase.

The company, like Procter and Gamble, its main competitor in the soap and detergent market, uses the prices of its leading brands up to 20 per cent during promotions only to put them up again once the promotion is finished.

This fluctuation in price is a source of annoyance to some retailers who would like to see money-off coupons withdrawn altogether.

Lever told the commission earlier this month that it wanted to raise the prices of its soaps and detergents, such as Persil and Sunlight washing-up liquid by an average of 4.8 per cent.

seems likely to lead the commission into the whole question of trade discounts, which already are being investigated by the Monopolies Commission.

Lever was investigated by the Monopolies Commission as part of a wider inquiry into soaps and detergents which found that, in 1964, Lever had 45 per cent of the soap powder and washing-up liquid.

Theoretically, Lever prices

could be frozen while they are investigated by the Price Commission. But, in practice, most companies have been able to get an interim increase under the emergency provisions in the Price Controls.

The commission's interest in Royal Doulton has been triggered by an average increase of 9.3 per cent on china and earthenware tableware proposed by the company.

Continued from Page 1

## Bilston strike threat lifted

Derbyshire, where he was opening a factory yesterday: "Steel trade unions have some of the most responsible people in the country, but unfortunately they are ferocious and intransigent."

"After reading reports about the situation in the morning papers I have been in contact with the chairman of the British Steel Corporation and the relevant unions."

My concern is to see that full consultation between all bodies is followed."

Continued from Page 1

## Rises proposed

The report was generally welcomed by unions and other organisations involved including the Association of Members of State Industry Boards, the First Division Association, the Institution of Professional Civil Servants, and the Civil and Public Services Association.

Expert Cornwell writes: To try to defend the high cost of living, the Government has called a special meeting of Labour MPs on Tuesday before he makes the Government's official response.

The Labour Party is far from united on the highly delicate topic, which is likely to feature also at Monday's regular session of the TUC-Labour Party liaison committee.

## No move to rejoin snake, says Giscard

BY MICHAEL BLANDIN

THE FRENCH FRANC dropped sharply on foreign exchange markets in late dealings yesterday after President Valéry Giscard d'Estaing said in Madrid that the currency would not rejoin the European snake joint floating arrangement.

Mr. Giscard said at the end of his official visit to the Spanish capital that France and her partners in the Common Market were studying possible new mechanisms to create a zone of monetary stability in Western Europe.

Commenting on recent reports that the snake would be extended to include the franc and possibly even the pound, he said that plans to create such a zone had been under review since the Copenhagen summit meeting of EEC leaders earlier this year.

Sharp rise hit

But this would be a new measure and would not be in the form of the French franc's joining the snake as it now works.

First reports of the President's statement hit the franc. Earlier in the day it had continued its recent sharp drop, caused by speculation after Mr. Giscard held private talks with Herr Helmut Schmidt, the West German Chancellor, last Friday, that it would rejoin the snake.

In the market the franc reached FFf 4.48 to the dollar, its highest since it last left the snake in March, 1976.

It touched its best level against the D-mark, the leading currency in the snake, since November.

At the close the franc had slipped to FFf 4.50 to the dollar, compared with FFf 4.55 on the previous day.

In thin but nervous markets the dollar was again weak against the Japanese yen. It touched a new low of ¥203 before recovering slightly to end at ¥203.55, compared with ¥205.30 on the previous day.

The pound has also gained some ground in the past few days on speculation about new currency arrangements.

Yesterday it came under some pressure at one stage, touching \$1.65, but ended at \$1.67 for a fall of 65 points. Its three-weighted index slipped to 61.5 against 61.6.

For most of June, sterling has been on the sidelines of the currency movements, until recently concentrated on the continued strength of the yen.

The relatively quiet period will be reflected in the figures of the official reserves on Tuesday.

Expensive loan

Another step in the official programme of reducing the burden of overseas borrowing was announced yesterday with the decision by the National Water Council to pay off in advance its \$300m five-year fluctuating rate loan, taken in two tranches in mid-1976.

The terms of this loan are regarded as expensive in present market conditions. The loan carried a spread of 1 1/2 per cent over London interbank offered rates, and will be refinanced from the National Loans Fund.

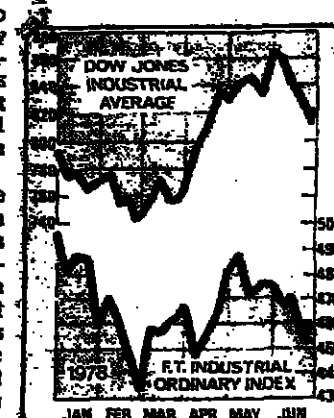
The prepayment is the second biggest after the Electricity Council's \$500m, and will fall half in July and half in August.

The move follows the news that the Government is re-negotiating the terms of its own \$15m Eurocurrency borrowing. It brings UK borrowing under the exchange cover scheme on which premature repayments have been made or foreshadowed this year to \$1.45bn.

## Getting in first on Wall Street

THE LEX COLUMN

Index rose 3.5 to 469.8



It is three weeks since the New York Stock Exchange all share index peaked after Wall Street's spring fever. U.S. investors are once again sensitive to rising prime rates backed by poor money supply and inflation figures. The index has drifted down by 4.5 per cent from its high but is still 11 per cent above its low point in early March.

Figures are now available from the U.S. Treasury which show how foreign investors reacted to the New York Market's short and sharp boom in April. They suggest that British professional investors were rather wily—buying quite heavily before the upturn and scaling back their purchases as the market's upsurge became more frenzied. After net purchases of \$57m in February, U.S. investors raised these to \$194m in March and then reduced them to \$176m in April.

In contrast the Swiss and the Germans got into the act rather late—probably because of the strong disincentive of the dollar's weakness against their own currencies. Swiss investors actually sold a net \$16m of U.S. equities in February. They bought \$12m worth in March before boosting this figure to \$103m in April as the indices took off.

Taken together all foreign net purchases rose from \$83m in February to \$492m in March and \$713m in April. No official figures for May are yet available but some preliminary soundings by the Securities Industry Association in New York suggest that net buying by foreigners fell by over 50 per cent in May. Indeed it is the SIA's hunch that there was net selling as the month drew to a close.

A straw poll of fund managers and brokers in London suggests that the big buying by the British small investor came rather late, as the indices surged upwards in April and the unit trusts publicised the fact. In May and June British buying continued but at a rate that has dwindled steadily from that of April.

Eastwood

Through its £32m agreed offer for J. B. Eastwood the Minneapolis-based Cargill group stands to secure a one-eighth share of the UK market for both eggs and poultry meat. Apparently Cargill—a major in the international grain trade—reckons it can make a better

job of a business whose cyclical nature has left Eastwood's profits popping up and down like a yo-yo in recent years.

The current year is no exception. Despite optimistic comments from the Eastwood board as recently as January the full-year pre-tax profits published yesterday show a 42 per cent decline. Just about everything seems to have gone wrong for the company in the past 6 months, the expected recovery in the broiler business did not happen until after the year end, the downturn on the eggs side (where Eastwood has been expanding) came quicker and worse than anticipated, and the depressed red meat division showed no improvement.

So although sales are ahead 16 per cent on poultry, eggs and farming products, margins have dipped from 11.8 to 7 per cent. Cargill's 133p offer puts the Eastwood shares on a fully taxed exit p.e. of 12.9.

The terms represent a premium of 47 per cent on the acquisition price. But shareholders may recall that it is substantially below the 168p net asset value figure which Sir John Eastwood claimed last September was "only a fraction of the true value for the company's assets."

There are two other potential sources of cash. Woolworth has scope for further bank borrowing. And more controversially, the brokers argue that the present high payout ratio is unsuitable for a company with a requirement for major investment, and a dividend cut may be in shareholders' longer term interest.

Hedderwick are quite optimistic about near term prospects for Woolworth, believing that in reasonable retail conditions pre-tax profits could rise from £77m to £75m during the next three years. But they reckon that anything less than £100m is not acceptable for a group of this size—and if the current merchandising strategy should fail, a critical situation could be developing in the early 1980s.

The suggestion that minority shareholders should press for a F. W. Woolworth has been sliding gently downhill; since 1970, Americans clearly do not want its share of the retail market to put more cash into the UK. But it is encouraging to see anything being done to change this long term trend? A hard hitting analysis by brokers Hedderwick it is refreshing to see brokers Stirling calls into question a company of being whether Woolworth has the short sighted, rather than the cash to carry through the necessary way about.

Woodworth

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